The Global Newspaper
Edited and Published in Paris
Printed simultaneously in Paris, London, Zurich, Hong Kong, Singapore, The Hague, Marseille, New York, Rome, Tokyo, Frankfurt.

International Herald Tribune

Published With The New York Times and The Washington Post

Andorra 8.50 F. Iceland 175 kr. Oman 1.000 Rials
Antilles 10 F.F. Iran 115 Rials Poland 18.000 Zl.
Austria 25 S. Israel NIS 4.50 Portugal 180 Esc.
Bahrain 0.800 Din Italy 2.300 Lire Qatar 8.00 Rials
Belgium 55 B.Fr. Jordan 1 JD Rep. of Ireland 85 P
Bulgaria 40 Leva Kenya Shs. 45 Réunion 10 F.F.
Cyprus C.£ 1.00 Kuwait 500 Fils Saudi Arabia 8.00 R.
Czechoslovakia 35 Kr Lebanon U.S.$1.10 Spain 175 Ptas.
Denmark 12.00 D.Kr Libya L.Din. 0.60 Sweden 11.00 S.Kr.
Egypt E.P. 4.500 Luxembourg 55 L.Fr. Switzerland 2.00 S.Fr.
Finland 10.00 F.M. Madeira 185 Esc. Tunisia 1.000 Din
France 8.50 F. Morocco 11.00 Dh. Turkey T.L. 7.000
Germany 3.00 D.M. Netherlands 3.25 Fl U.A.E. 8.50 Dirh.
Great Britain £0.75 Norway 12.00 N.Kr. U.S.S.R. U.S.$2.00
Greece 220 Dr. Nigeria 16.00 Naira U.S. Mil (Eur.) $1.00
Hungary 115 Ft. Yugoslavia 43 ND.

No. 33,725 31/91 ** PARIS, FRIDAY, AUGUST 2, 1991 ESTABLISHED 1887

Gorbachev Unity Pact Endorsed By Bush

In Ukraine, He Warns Republics On Pulling Out

By Ann Devroy and Michael Dobbs
Washington Post Service

KIEV, U.S.S.R. — President George Bush said Thursday that the United States would avoid taking sides in the struggle of the Soviet republics for independence from Moscow, but he embraced the new Soviet union treaty as a route that would avoid "the hopeless course of isolation."

Mr. Bush, concluding a three-day visit to the Soviet Union with a daylong stop in Kiev, used a speech to the Ukrainian parliament to set out his views on the reshaping of the Soviet Union into a much looser confederation of sovereign states.

Greeted on his arrival by hundreds of demonstrators waving Ukrainian nationalist flags and chanting "Freedom for the Ukraine," Mr. Bush reiterated U.S. support for the aspirations of Soviet citizens for freedom and democracy. But he made it clear that he endorsed the efforts of President Mikhail S. Gorbachev to keep the country together and condemned the single-minded pursuit of independence.

"Freedom is not the same as independence," Mr. Bush told the packed parliamentary chamber. "Americans will not support those who seek independence in order to replace a far-off tyranny with a local despotism. They will not aid those who promote a suicidal nationalism based upon ethnic hatred."

Mr. Bush's attempt to strike a balance between Moscow and the republics went down well with the moderate Communist politicians who run the Ukrainian government. But leaders of the opposition group Rukh, which is pushing for complete state independence for the Soviet Union's second largest republic, said afterward that he had failed to grasp their struggle against totalitarian rule.

"Bush came here in effect as a messenger for Gorbachev," said Ivan Drach, a leading Ukrainian writer and chairman of Rukh. "In many ways, he sounded less radical than our own Communist politicians on the issue of state sovereignty for the Ukraine. After all, they have to run for office here in the Ukraine, and he doesn't."

Mr. Bush's visit included an bourlong meeting with Ukrainian leaders and a later visit to the Babi Yar Holocaust Memorial, where he pledged that the United States would "never let the forces of big-

See BUSH, Page 2

On Page 2

The arms pact is both a symbol and a signpost, experts say.

Bush visited Babi Yar, where 100,000 Jews and others were massacred by the Nazis.

What the U.S. president said to the **Ukrainian legislature.**

Barry Thumma/The Associated Press

Mr. Bush speaking Thursday at the Babi Yar memorial to Jews and others shot by the Germans.

Shamir Conditionally Accepts U.S. Formula for Peace Talks

By Jackson Diehl and David Hoffman
Washington Post Service

JERUSALEM — Prime Minister Yitzhak Shamir of Israel gave a qualified acceptance on Thursday to a U.S. proposal for a Middle East peace conference, and Secretary of State James A. Baker 3d said, "This is the 'yes' we were hoping for."

Emerging from his office after a 90-minute meeting with Mr. Baker, Mr. Shamir said that he had expressed "readiness to enter peace negotiations in accordance with the U.S. proposal, subject to a satisfactory solution of the issue of Palestinian Arab representation."

"I will recommend to our cabinet to approve the proposal," the prime minister added.

Mr. Shamir's announcement was similar in its wording to language that he has used for nearly two weeks in reply to calls from the Bush administration to reconsider his opposition to U.S. proposals for a peace conference.

But on Thursday, despite Mr. Shamir's continued qualification of his reply, Mr. Baker hailed the statement as "extraordinarily positive and significant" and a sign that "the prospects of Arab-Israeli peace discussions are no longer simply a dream."

After the announcement outside Mr. Shamir's office, both Israeli and U.S. officials sought to claim victory.

Mr. Baker, in a series of telephone conversations this week from Moscow, had pushed Mr. Shamir to give an unqualified commitment to attend the conference, leaving potentially troublesome issues about Palestinian representation to be resolved later.

Mr. Shamir had held out for written assurances from the United States on a range of concerns about the Palestinians and other aspects of the conference before giving any answer.

The announcement on Thursday appeared to be a compromise. Mr. Baker got a pledge from Mr. Shamir that officials said would allow the Bush administration to preserve the momentum behind a peace conference, which the United States and Soviet Union are planning to call in October.

Mr. Shamir succeeded in removing Israel from the spotlight of appearing as the only country that had not accepted the conference, while still holding out the possibility of extracting further concessions from the United States on the Palestinian issue.

Although Mr. Shamir must still obtain formal approval for his statement from his cabinet, his aides said he did not expect serious difficulties when the cabinet meets to debate the issue Sunday.

Several extreme rightist parties have threatened to leave the government coalition if Israel attends a peace conference, but none now appears likely to act in the near future.

Mr. Shamir's move thus appeared to bring closer the possibility that a conference would take place.

"I assume that it's on its way," Mr. Shamir said in an interview on Israeli television Thursday night. "It's the beginning of a complex process."

President George Bush and President Mikhail S. Gorbachev said this week in Moscow that they wanted a conference to take place in October and that they would issue formal invitations not later than 10 days beforehand.

Israeli officials expressed satisfaction that the onus would now shift to the Palestinians, who have not committed themselves to attending a conference.

"The screws are on the Palestinians," one senior Israeli official said.

High-ranking U.S. officials said that Mr. Baker would now turn to the problem of finding Palestinians who were both willing to attend the talks and acceptable to Israel.

"We would like to see any parties who have influence on the Palestinians make the point to the Palestinians that they have an opportunity here," a senior U.S. official said.

Israel is insisting that any Palestinians taking part in the conference not be members of the Palestine Liberation Organization, and that Arabs from East Jerusalem not be included.

Palestinian leaders from the occupied territories have been insisting that no Palestinian will attend the conference unless East Jerusalem is represented.

The Jerusalem issue has caused the Middle East peace process to break down several times, including the last effort by Mr. Baker in 1989-90.

Israeli officials said that Mr. Shamir's government was considering compromise proposals on the issue, advanced this week by Eygpt.

Among them is a suggestion that the Jordanian-Palestinian delegation include a Jordanian official

See ISRAEL, Page 5

A Year Later, Kuwait's Trauma Lingers

Amid Dashed Postwar Hopes, Emirate Is Bound by Fear and Disillusion

By Chris Hedges
New York Times Service

KUWAIT — A malaise, as numbing as the August heat and depressing as the oily soot that hangs over the capital, has enveloped this Gulf state one year after the Iraqi invasion.

Saddam Hussein still looms, larger than life, over the country. The political changes promised by the ruling Sabah family, including legislative elections scheduled for 1992, strike many as tepid. And it is becoming clear that the recovery of the country, including the capping of 500 burning oil heads and the clearing of several million land mines, is a year or two away.

More than a third of the 600,000 Kuwaitis are not even in the country this summer to mark the anniversary, according to Western diplomats. And many of those who are here have opened dollar bank accounts and speak often of moving abroad.

"For the short term we will be consumed by this paranoia, this belief that we are totally dependent on our allies to protect us," said Mubarak Adwani, an opposition leader. "Over the long term we realized that we are faced with an even deeper problem, and that is the philosophical basis on which this whole country is built."

Kuwait's capital is no longer the smoldering mess that greeted allied soldiers when they arrived in March. The supermarkets are stocked with fresh fruit, bottles of Perrier and choice cuts of beef. The car dealerships are packed with new Buicks, Jeeps and Isuzus.

Clean water runs from the taps and new air-conditioners hum inside the lavish villas to ward off the furnace-like summer heat. The highways are clear and traffic signals and telephones work.

But the outward affluence, and the tentative government plan to give every Kuwaiti family $70,000 in compensation, has not blunted the bitterness and fear many Kuwaitis feel.

The physical recovery has been accompanied by deep depression.

"We had so many hopes," said Huda Meshal, 23, a student at Kuwait University who remained during the occupation. "This is not the way we thought it would end up. We thought the nepotism, the censorship, the inability of women to vote or be elected to office and the old way of governing would be

See KUWAIT, Page 5

Tale of 2 Paychecks: How New World Bank Head Got $65,000 Raise

By Hobart Rowen
Washington Post Service

WASHINGTON — When Lewis T. Preston takes over as head of the World Bank in September, he will collect a salary of $290,000 a year, $65,000 more than the current president, Barber B. Conable.

At first impression, it might appear that Jacques Attali, who earns $290,000 a year as president of the European Bank for Reconstruction and Development, is responsible for the 28.8 percent raise, for which Mr. Preston did not ask and about which he is a bit embarrassed.

If the trail of how the raise came about is followed carefully, however, the footprints would go not to Mr. Attali's London office, but across the street to the 12th-floor office of a fellow Frenchman, Michel Camdessus, head of the International Monetary Fund, who will get the same raise.

By custom and practice, the salaries of the heads of the World Bank and the IMF — currently $225,000 a year — are linked, and therein lies a tale of Gallic intrigue.

What is more, the higher salary for the top officials, approved at a World Bank meeting on Thursday, will touch off an increase in the pay scales throughout the two organizations, and will very likely bring renewed complaints from Congress that the IMF and World Bank staffs are overpaid.

Originally, the World Bank president's salary was to have risen to the full $290,000. But according to a source, the raise was cut by $5,000 as a face-saving gesture sponsored Thursday by Britain and Germany following publicity about the impending pay increase.

One practical effect of Thursday's decision will be to lift the pay ceiling for top staff members at both the World Bank and the IMF to $190,000, from the current $154,000.

The decision to increase the World Bank president's salary to $290,000 has caused a bitter feud inside the bank. The United States and Canada voted no on Thursday.

The campaign for higher salaries, according to sources familiar with the issue, began when Mr. Camdessus discovered that Mr. Attali's pay as head of the new European Bank for Reconstruction and Development had been set at the British pound equivalent of roughly $290,000.

The campaign for higher salaries began when the IMF head discovered that the salary of Jacques Attali had been set at roughly $290,000.

Mr. Camdessus, according to sources, views Mr. Attali's job as having less stature than the IMF position, and so argued that his salary should be at least as high as Mr. Attali's. Mr. Attali position deals with economic development and change in Eastern Europe and the Soviet Union.

"The French executive director at the IMF appointed himself as Camdessus's agent, and it got less pleasant as things moved along," a source said.

In support of the idea of a big pay increase, according to sources, spokesmen for Mr. Camdessus also circulated a review of the compensation for the governor of the Bank of France, who receives an even bigger compensation package.

In a "normal" situation, an official said, the World Bank's board would have negotiated a new five-year contract with Mr. Preston, allowing for a cost-of-living increase over Mr. Conable's $225,000 salary.

Sources said that an increase of 16 percent would have covered inflation since the last raise three years ago and that 20 percent would have been the outside figure, but a little hard to justify. The IMF would have followed suit.

"But in this case, the follower played the leader," a source said. The vote in favor of "Camdessus's increase" — as one put it — was expected to be approved at the World Bank primarily because its members from smaller developing countries always hesitate to vote against salary increases for management. They fear that if they do, they will not fare well at the loan window.

At the World Bank and the IMF, a "cap" on salary levels throughout the organizations is maintained by designating two-thirds of the president's and managing director's pay as salary, with one-third as an allowance, for which accounting is not necessary.

All of the compensation is tax-free for foreigners and tax-paid for Americans.

U.S. opposition to increasing Mr. Preston's salary to match Mr. Attali's is compromised somewhat because Mr. Attali's high salary, also tax-free, is a product of its determination that the European Bank for Reconstruction and Development should focus on private-sector development.

The new organization believed, therefore, that it needed to establish a scale of salaries equivalent to those paid by private companies. The paycheck for the top man sets the ceiling and scale for the intermediate ranks.

"So the EBRD, when setting Attali's pay, looked to what was being paid in Wall Street, not to the IMF, World Bank or UN agencies," an official said.

Kiosk

Intervention In Yugoslavia?

LONDON (Reuters) — Foreign Minister Jacques Poos of Luxembourg said Thursday that European military intervention might be needed to prevent a breakup of Yugoslavia.

"We have to try to stop it because partition is not a solution," Mr. Poos said on British television. "Because if it starts in Croatia, it will continue, so all the internal and external borders of Yugoslavia will be put in question."

"We might need to consider some military interposition forces," said Mr. Poos, one of three European foreign ministers traveling to Yugoslavia on Friday.

Related articles, Page 6

General News

The U.S. Senate is in favor of permitting women to fly in combat. **Page 3.**

Illegal eavesdropping equipment was used at U.S. nuclear weapons plants. **Page 3.**

Crossword **Page 21.**
Weather **Page 2.**

Dow Close	The Dollar in New York	
3,917.67	DM	1.757
Down	Pound	1.674
7.15	Yen	137.55
	FF	5.9715

The Woman Who Wields East Germany's Broom

By Marc Fisher
Washington Post Service

BERLIN — Her predecessor was assassinated by terrorists. Everywhere she goes, angry people call her "job-killer" and worse. Her unique and historic task is the "creative destruction" of a nation's economy.

Birgit Breuel, the most powerful woman in Germany, is selling off a country. As president of the Treuhandanstalt, the agency set up to dismantle and privatize East Germany's Communist-era economy, Mrs. Breuel must dismiss millions of workers who had assumed capitalism would improve their lives overnight, find buyers for thousands of outdated, environmentally poisoned factories, and somehow inject market thinking into a people who knew nothing but dictatorship for nearly 60 years.

And she must do it all as soon as possible, preferably yesterday.

"We are cleaning up 40 years of history," said Mrs. Breuel, a banker's daughter who spent most of her career in local politics. "We can try to explain ourselves to people, but they will never love us. Because whatever we do, it's hard for people. With every one of 10,000 enterprises, we either privatize or restructure or close them down. In every case, people lose jobs."

Starting from scratch, the Treuhand had to hire 3,000 people, figure out who owned what in East Germany, divide it into reasonably attractive chunks and sell it off to investors willing to light the pilot flame of capitalism. Along the way, the Treuhand will have fired the majority of the 3 million workers employed by the 10,000 enterprises it is charged with unloading.

This is not popular work. But Mrs. Breuel, 53, seems to have no desire to win votes. She speaks quickly and nonchalantly about the need to shut noncompetitive industries. A rare German opponent of government-controlled monopolies such as the phone system and the national airline, Mrs. Breuel is a patrician, an acolyte of Milton Friedman in a country whose social market economy is in many ways more social than market.

Mrs. Breuel moved up from a post on the Treuhand's governing board this spring, when her predecessor, Detlev Rohwedder, was shot and killed at his Düsseldorf home. The assassination by the Red Army Faction shocked Germany and added a thick layer of security to an already forbidding job. Mrs. Breuel claims not to be constricted by the security — "One gets used to it," she says — but concedes it is hard on her family, which was already mourning the death of Mrs. Breuel's youngest son from cancer last year.

Some in the Bonn government say Chancellor Helmut Kohl picked Mrs. Breuel in part because few top German executives wanted to be associated with the Treuhand's thankless task. But Mr. Kohl was hardly scraping the barrel by choosing Mrs. Breuel, who had won a good reputation among business leaders for her work as the state of Lower Saxony's finance minister.

Mrs. Breuel took over an agency in turmoil. Investors who wanted to get in on the ground floor of the East's transformation often found themselves stymied by an agency that did not seem to know what it was doing.

From the start, the Treuhand became the target of Eastern anger about the soaring unemployment, drastically reduced production and depression-like hopelessness that have accompanied the overthrow of communism. The Treuhand's image as the executioner of German unification has been fed by what many executives see as the Bonn government's timid reluctance to get involved in the thorniest issues of the economic transformation.

"The Treuhand was supposed to just sell the property," an agency source said. "No one ever said anything about labor policy. That's what the government is there for. But the Treuhand is a convenient scapegoat."

Mrs. Breuel has enough problems without getting into a snit with Mr. Kohl or other German leaders who have tried to avoid traveling to the

See BREUEL, Page 25

Rainer Klostermeier/The Associated Press

Birgit Breuel, who is in charge of taking apart — and putting back together — Eastern Germany's badly battered economy.

Thai Scandal Lifts A Veil on Infidelity

By Philip Shenon
New York Times Service

BANGKOK — The general who led the military coup in Thailand in February is finding his position undermined in a wife-vs.-mistress scandal that has offered a rare and very public glimpse of Thailand's system of near-legalized polygamy.

The general, Sunthorn Kongsompong, 60, the country's supreme national commander, has described the dispute between his wife and his mistress as a private matter. The feud centers on the attempt by the mistress to use the general's family name as her own.

But in what may be an effort to prove they were not silenced by the coup, which overthrew Thailand's first elected prime minister since 1976, Bangkok's scandal-loving newspapers have gleefully splashed the story on Page 1.

The scandal has potentially important implications for Thai politics and the military. Although General Sunthorn is scheduled to retire from the army in September, he may yet try to retain a powerful role in the military's National Peacekeeping Council, which has had the final say over government policy since the coup.

The political angle is not, however, what seems to have grabbed the attention of Thais.

Many of them instead describe the scandal as a summertime entertainment, a diverting tale of power and love and betrayal that took its most surprising turn in June when the general's wife, herself an army colonel, invited reporters to a Bangkok news conference where she tearfully explained why she had decided to file suit against the mistress.

Thais say that what is surprising about the scandal is not that the general kept a mistress, or that the mistress is more than 20 years his junior, but that the wife and mistress went public with their feud.

Marital fidelity and women's rights are relative concepts in Thailand.

It is considered acceptable, even by some Western-educated Thai women who would otherwise describe themselves as feminists, for a man to take one or more mistresses and even to be seen with them in public, so long as all of the women and their children are provided for.

"It would be better if Thai women were more independent and protested about this arrangement," said Nuengnoi Bunyanetr, a professor of philosophy at Chulalongkorn University in Bangkok.

"But the business of mistresses is part of the old Thai attitude toward women," he said. "And that's not going to change soon."

Mistresses are to some degree a rule, the more mistresses, the wealthier the man. A handful of Bangkok's flashier millionaires are

See FIDELITY, Page 5

هكذا من الأصل

BUSH IN THE SOVIET UNION: Striking a balance between Gorbachev and the republics

After Lofty Summit, It's Still Downhill for Soviet Economy

By David Remnick
Washington Post Service

MOSCOW — With a friendly, relatively uneventful summit meeting now behind him, Mikhail S. Gorbachev returns to the business of managing a fragmenting country on the perennial brink of economic disaster.

No arms treaty, no cooperation in the Middle East, will change the fact that economists here are predicting a financial nightmare of uncontrollable inflation by the end of the year — a phenomenon that could well reactivate the country's strongest forces who oppose liberalization.

The economist Vasili Selyunin said in an interview that "the ruble is disappearing" as a viable currency. Prime Minister Valentin S. Pavlov prints money almost as fast as the presses can churn it out. Mr. Selyunin said the slide into hyperinflation began in 1988 when the state printed 11.5 billion rubles and has accelerated to the point where more than 150 billion rubles were printed this year.

In stores and markets, ordinary goods regularly double and triple in price. "This is the sort of financial situation that causes military overthrows in South America," Mr. Selyunin said.

Grigori Yavlinski, another economist, says that the country's budget deficit is likely to reach 250 billion rubles, and joked that allowing Mr. Pavlov to run the economy any longer is like appointing a doctor as minister of health after he has run a hospital where all the patients have died.

NEWS ANALYSIS

Despite the much-advertised rise of a relatively few new prosperous businesses in the big cities, the economy is still in a state of free fall. Production levels may drop as much as 15 percent to 20 percent this year. Countless farms remained unplanted this year, and agronomists are expecting a terrible harvest.

Mr. Selyunin, like many other economists, said the only way to begin reversing these economic trends was to slash the country's military budget, which he said "sucks out" the country's funds, resources and talent.

President Gorbachev, Mr. Selyunin said, should follow the example of the Bolshevik leadership in 1924 after the civil war when it cut the army from 5 million to about 600,000. He said the country now had an armed force of around 5 million "but we can only afford to feed around one million."

But Soviet generals, led by the hard-line defense minister, Marshal Dmitri T. Yazov, are in no mood for such drastic reductions. The generals have endured a speedy, humiliating exit from Eastern Europe and are now trying to cope with a draft-dodging rate that has increased nearly 30-fold in the past two years, according to Murray Feshbach of Georgetown University.

During a closed session of the Supreme Soviet last month, Marshal Yazov complained about what he clearly sees as the humiliation of the army by the liberalizations. "Soon we will have no armed forces," he said, according to transcripts in Sovetskaya Rossiya, the party newspaper of the Russian Republic. He decried the attempts of the various republics to make sure that citizens serve in their home territories.

Marshal Yazov now is lobbying the Supreme Soviet to pass legislation repealing student deferments. According to the newspaper Nezavisimaya Gazeta, Marshal Yazov has also made "unexpected appearances" at the negotiations on the new union treaty to protect the interests of the generals when power is transferred to the republics.

"It is obvious to anyone that if today's leadership structures are preserved, no reform will possible in the army," the article in Nezavisimaya Gazeta said. "The Defense Ministry will defend the status quo to the very last."

Nezavisimaya Gazeta reported that under pressure from the military, Mr. Gorbachev withdrew plans to make a proposal in London last month to attract Western capital to invest in the conversion of 400 Soviet plants from the production of arms to consumer goods.

As it stands, the Soviet economy is so militarized that 80 percent of all machine building in the country is military, according to Yuri Ryzhov, a member of the Supreme Soviet. If the military resists wide-scale conversion, the situation will continue to deteriorate.

But despite the increasing strength of a left-center coalition that includes coal miners, the republican leaders, mass movements like Democratic Russia, the liberal wing of the Communist Party and Mr. Gorbachev himself, there is no reason to think that the hard-line coalition of orthodox Communists, generals and KGB officers has disappeared from the scene.

Alexander N. Yakovlev, who resigned as Mr. Gorbachev's lead adviser last week, said the "party of revenge" had not disappeared from the political arena. The consolidation of hard-liners is under way, he told the newspaper Moskovski Komsomolets. "It's just that they have taken a time-out."

Rick Wilking/Reuters

Mr. Bush at talks in Kiev on Thursday with Leonid M. Kravchuk, head of the Ukrainian parliament.

Bush's Speech in the Ukraine

The Associated Press

Following are excerpts from the speech that President George Bush delivered Wednesday in Kiev to the Ukrainian legislature:

This beautiful city brings to mind the words of the poet Alexander Dovchenko:

The city of Kiev is an orchard.
Kiev is a poet.
Kiev is an epoch.
Kiev is history.
Kiev is art.

Centuries ago, your forbears named this country Ukraine, or "frontier," because your steppes link Europe and Asia. But Ukrainians have become frontiersmen of another sort. Today, you explore the frontiers and contours of liberty. Though my stay here . . . is far too short, I've come here to talk with you and to learn. And for those who love freedom, every experiment in building an open society offers new lessons and insights. You face an especially daunting task.

For years, people in this nation felt powerless, overshadowed by a vast government apparatus, cramped by forces that attempted to control every aspect of their lives. And, today, your people probe the promise of freedom. In cities, in republics, on farms, in businesses, around university campuses, you debate the fundamental question of liberty, self-rule, and free enterprise.

I come here to tell you we support the struggle in this great country for democracy and economic reform, and I would like to talk to you today about how the United States views this complex and exciting period in your history, how we intend to relate to the Soviet central government and the republican governments.

In Moscow, I outlined our approach. We will support those in the center and the republics who pursue freedom, democracy, and economic liberty. We will determine our support not on the basis of personalities, but on the basis of principles. And we cannot tell you how to reform your society. We will not try to pick winners and losers in political competitions between republics or between republics and the center. That is your business, not the business of the United States.

Do not doubt our real commitment, however, to reform.

We will work for the good of both of us, which means that we will not meddle in your internal affairs. Some people have urged the United States to choose between supporting President Gorbachev and supporting independence-minded leaders throughout the U.S.S.R. I consider this a false choice.

In fairness, President Gorbachev has achieved astonishing things, and his policies of *glasnost* and *perestroika* and democratization point toward the goals of freedom, democracy, and economic liberty. We will maintain the strongest possible relationship with the Soviet government of President Gorbachev, but we also appreciate the new realities of life in the U.S.S.R. We therefore good relations, improved relations, with the republics.

We will support those who want to build democracy. And by democracy, we mean a system of government in which people may vie openly for the hearts and, yes, the votes of the public.

In modern societies, freedom and democracy rely on economic liberty. The free economy is nothing more than a system of communication. It simply cannot function without individual rights or a profit motive which give people an incentive to go to work, an incentive to produce.

And finally, a free economy demands engagement in the economic mainstream. Adam Smith noted two centuries ago, "Trade enriches all who engage in it." Isolation and protectionism doom its practitioners to degradation and want. I note this today because some Soviet cities, regions and even republics have engaged in ruinous trade wars. The Nine-plus-One agreement holds forth the hope that republics will combine greater autonomy with greater voluntary interaction — political, social, cultural, economic — rather than pursuing the hopeless course of isolation.

An old Ukrainian proverb says, "When you enter a great enterprise, free your soul from weakness." The peoples of the U.S.S.R. have entered a great enterprise, full of courage and vigor, and I have come here today to say we support those who explore the frontiers of freedom. We will join these reformers on the path to what we call — appropriately call — a new world order.

Lithuania Seeks Raid Inquiry

Compiled by Our Staff From Dispatches

MOSCOW — Lithuania's parliament called Thursday on the Conference on Security and Cooperation in Europe to send a commission to the republic to investigate an attack on a border post that left six persons dead.

The parliament convened a special session after six guards and customs officials were killed and two seriously wounded in the attack, on the Medininkai post on the Byelorussian border. It was the worst violence in the Baltic states in more than six months.

The holding of the security conference on humanitarian issues in Moscow, scheduled for September, should be dependent on "the retreat of the KGB and other repressive organs from Lithuanian territory," the parliament said.

There was no immediate comment from Moscow, but the Soviet Union has strongly resisted any outsider in its internal disputes.

The parliament decided to place a plaque commemorating the "victims of the KGB" on the organization's Vilnius headquarters.

A spokeswoman said an investigation into the dawn raid Wednesday, in which guards and customs officers were shot at close range inside their post, had failed to turn up solid leads.

Leaders of the republic suspect Soviet Interior Ministry security forces, who they say are best-equipped for such an assault.

Officials in Moscow deny any advance knowledge of the attack.

The two wounded officials, shot in the head, were in critical condition Thursday. Local journalists said one, on a life-support system, was not expected to live.

"The aggressive actions of the U.S.S.R. are being escalated," the parliament's leaders said.

Interior Minister Mariosus Misiukonis said that the men had been forced to lie on the floor and then were raked with automatic fire. "It was done by people who know guns, know how to use them," he said. "It is obvious that these people came to kill."

Local leaders declared Saturday as a day of mourning and planned a public funeral.

Vilnius was stunned by the attack, the most serious in more than 20 raids on customs posts set up by the Baltic republics as symbols of independence. As word of the attack spread, knots of protesters gathered near the headquarters of the republic's Communist Party and KGB security service.

Others denounced the elite black-beret Interior Ministry forces, who were responsible for raids on other customs stations. No one was killed in the other attacks.

The officials were slain during President George Bush's summit meeting with President Mikhail S. Gorbachev. Mr. Gorbachev expressed regret and sympathy and said the attack was being investigated. *(AFP, Reuters, AP)*

At Babi Yar, President Evokes Massacre by Nazis

Compiled by Our Staff From Dispatches

KIEV, U.S.S.R. — President George Bush paid an emotional visit Thursday to the monument at Babi Yar, erected in memory of 100,000 Jews and other citizens of the Ukraine massacred there by the Nazis in World War II.

A handful of survivors and several people who gave refuge to those who escaped the mass executions at Babi Yar attended a wreath-laying ceremony, along with official delegations.

The U.S. president's voice broke as, referring to the Holocaust, he deplored the fact that "good men and women averted their eyes from unprecedented evil."

In September 1941, soon after occupying Kiev, German SS squads marched Jews and other prisoners to the outskirts of town, where they were executed by firing squads. Their bodies fell into a deep ravine, named Babi Yar, and were covered over.

About 33,000 people were killed in the first round of executions, and within 18 months 100,000 people were massacred at Babi Yar. In October 1943 the Germans ordered prisoners of war to recover the bodies and burn them.

Evoking "the shadows of past evil," Mr. Bush pledged "never to let the forces of bigotry and hatred assert themselves without opposition."

He said Babi Yar was a reminder that "history gives our lives meaning and continuity and that any nation that tries to repudiate history — tries to ignore the actors and events that shaped it — only repudiates itself."

The monument was erected only in 1976 after years in which the Soviet government denied that Jews had been the chief victims of the massacre. It still makes no reference to the Jewish dead.

Mr. Bush absolved President Mikhail S. Gorbachev of any responsibility in distorting history, saying that, on the contrary, he had "promoted truth in history."

The monument, which stands about one kilometer (half a mile) from the death site, shows 11 victims of the massacre about to be shot and fall into the ravine.

Mr. Bush shook hands and chatted with some of the few who survived the massacre and some of the Ukrainians who sheltered them from the Nazis.

Among them was Raissa Dashkevich, 75. She and her son, 3, and 11 other members of her family were rounded up and herded to the edge of the ravine. When the Nazis fired their machine guns, she fell.

She awoke covered by bodies but managed to crawl out and was hidden by a local family. Her child was dead. For 42 years, she concealed her identity as a Jew. *(AFP,AP)*

Pact Has Safeguard If U.S.S.R. Splits

By R. Jeffrey Smith
Washington Post Service

WASHINGTON — The strategic arms treaty signed in Moscow is both a symbol of the past and a signpost to the future, say U.S. officials who specialize in the field.

Expected to be the last major agreement of its kind, the treaty mandates cuts in U.S. and Soviet arsenals of strategic nuclear weapons, the first ever, and closes out a 30-year era in which such weaponry was at the top of the superpower arms negotiating agenda.

At the same time, the landmark accord contains unique provisions to deal with the new uncertainties of the Soviet Union — specifically, what to do with nuclear weapons deployed in any of the 15 Soviet republics that eventually secede from the Soviet Union.

The treaty provides for the transfer, for example, of long-range, nuclear-tipped missiles from Kazakhstan, in Central Asia, into the Russian Republic in the "extraordinary circumstance" that Kazakhstan seceded.

Such provisions exemplify the challenge that negotiators faced in reconciling huge arsenals developed during the Cold War with the unrest and unpredictability of the new Soviet era.

Senior U.S. officials, citing exhaustion over the negotiating process and differing views about where to go next in controlling nuclear weapons, have predicted that the arms treaty will not soon be followed by another like it.

Instead, the officials say, Washington will devote more time and effort to enhancing U.S.-Soviet economic ties as the path to bolster world peace.

The new arms treaty, described Wednesday by President George Bush as "the most complicated of contracts governing the most serious of concerns," trims only 3,500 to 4,500 nuclear warheads from existing strategic, or long-range, arsenals totaling nearly 23,000.

But it will also restructure the remaining arms to eliminate many of those believed to be most threatening to U.S. security.

Extensive verification provisions, described by U.S. officials as the most intrusive ever agreed on, will allow U.S. and Soviet inspectors to inspect missile warheads, monitor weapons assembly plants and view bombers and mobile missiles at close range.

The treaty also commits the two to exchange tapes of data collected during missile tests as well as the keys to interpret the tapes.

U.S. officials in Washington declined to make public copies of the treaty, signed by President Mikhail S. Gorbachev and Mr. Bush in a ceremony broadcast on television, explaining that minor, last-minute changes in Geneva and Moscow kept the only completed versions out of their hands.

BUSH: *President Endorses Gorbachev's Union Treaty*

(Continued from Page 1)

ory and hatred assert themselves without opposition."

Unlike Moscow, where few people turned out to watch any Bush appearance, the streets of Kiev were lined five and six deep as the presidential motorcade drove past. Many spectators clutched blue and yellow flags of the once-independent Ukrainian state and banners with such slogans as "Ukraine Without Moscow."

But the centerpiece of the president's visit was his address to the parliament, a body whose membership ranges from hard-line Communists to extreme nationalists.

"We cannot tell you how to reform your society," he said. "We will not try to pick winners and losers in political competitions between republics or between republics and the center."

But Mr. Bush said the dialogue between the central government and 9 of the 15 republics "holds forth the hope that republics will combine greater autonomy with greater voluntary interaction — political, social, cultural, economic — rather than pursing the hopeless course of isolation."

The president said it was a "false choice" to frame U.S. policy as favoring either Mr. Gorbachev or the republics. "We will maintain the strongest possible relationship with the Soviet government of President Gorbachev," he said, "but we also appreciate the new realities of life in the U.S.S.R. We therefore want good relations, improved relations, with the republics."

Mr. Bush's visit to the Ukraine came at a time when the republic, once regarded as one of the most conservative regions of the Soviet Union, was in the throes of extraordinary political ferment. Under pressure from Rukh, the Communist majority in the Ukrainian parliament has been pushing for greater concessions from Moscow before endorsing Mr. Gorbachev's new union treaty and is taking steps toward the creation of a Ukrainian currency .

The Ukrainian parliamentary chairman, Leonid Kravchuk, a former Communist Party ideologist who has been riding the tide of nationalist fervor, went out of his way to stress Ukrainian aspirations for state sovereignty in his welcoming remarks for Mr. Bush. He said the Ukraine had chosen the road to "democracy, market economy and sovereignty."

In his address to the parliament, Mr. Bush echoed recent warnings by Mr. Gorbachev about the danger of "ruinous trade wars" between individual Soviet republics and regions. He implicitly criticized recent moves by the Ukraine and other republics to create their own customs services and ban the export of food and scarce consumer goods to other parts of the country.

"A free economy demands engagement in the economic mainstream," Mr. Bush warned. "Isolation and protectionism doom its practitioners to degradation and want."

The head of the parliamentary committee on economic change, Volodymyr Pylypchuk, said the Ukraine had been forced to take protectionist measures because of the general collapse in the Soviet economy. He accused the central government of having flooded the country with worthless rubles, forcing republics like the Ukraine to defend themselves as best they could.

"The ruble is a dead currency," he said. "Mr. Bush does not seem to understand that we are forced to take measures to prevent our economy from collapsing completely."

Before arriving here, Mr. Bush said aboard Air Force One that he had discussed the visit with Mr. Gorbachev to see if he had any concerns. He said the Soviet president did not and added, "There's confidence in Moscow that the Ukraine will come along on the union treaty."

Mr. Bush, whose political world view was shaped in World War II and the Cold War that followed it, has struggled throughout the past two years to readjust to an international stage in which the East-West conflict is replaced by the uncertainties like those represented in his visit to the Ukraine.

Accord May Put Americans on Mir

New York Times Service

NEW YORK — An agreement signed by Presidents George Bush and Mikhail S. Gorbachev is expected to open the way to wider American-Soviet cooperation in space exploration, including flights by Americans aboard the Soviet space station Mir and by Soviet astronauts on the American space shuttle.

U.S. officials said timetables for the missions would be established in the next few months. News accounts have said that as early as 1993, one or more U.S. astronauts would spend 60 to 90 days in the Mir station for detailed physiological experiments. In return, Soviet astronauts would fly on several shuttle missions.

These would be the first such flights since a U.S. Apollo spacecraft and a Soviet Soyuz linked in orbit in 1975.

In the new agreement, the United States offered to invite the Soviet Union to take part in an ambitious space-based study of global environment known as the Mission to Planet Earth.

In a fact sheet describing "initiatives on expanded space cooperation," the White House said, "The two sides would agree to share data and coordinate observations of their respective space and terrestrial environmental monitoring system, and would meet in a multilateral forum to develop worldwide efforts to monitor environmental changes from space."

WORLD BRIEFS

ANC Calls for de Klerk's Resignation And Formation of Interim Cabinet

JOHANNESBURG (WP) — The African National Congress called Thursday for the resignation of President Frederik W. de Klerk's government and the formation of an interim government of national unity, citing what it called the president's failure to resolve a "crisis of credibility" over his secret funding of anti-ANC organizations.

Responding to Mr. de Klerk's cabinet shake-up Tuesday and his announcement that all such funding was ending, four senior ANC officials told a press conference that the president had "failed to rise to the occasion" and that they remained unconvinced by the steps he had announced to resolve the scandal. The main ANC priority now, they said, is replacing the present government with an interim one, with the participation of the ANC and other black parties, to oversee the transition process while a new nonracial constitution is being negotiated.

The ANC said it wanted to speed up the process by holding as soon as possible a conference of its potential allies to form a "Patriotic Front" and then an all-party conference including Mr. de Klerk's ruling white-dominated National Party. While the ANC has called for such an interim government before, the group's vice president, Walter Sisulu, said it was now emphasizing that the government itself is an obstacle to negotiations and "has to be removed."

An ANC spokesman, Paulo Jordan, sidestepped a question about whether the ANC would still accept Mr. de Klerk as president of an interim government, saying that that would be subject to negotiation at the all-party conference, which both Mr. de Klerk and the ANC have been calling for as a first step toward the holding of constitutional negotiations.

Marcos Rejects Manila's Return Offer

NEW YORK (Reuters) — After a day of declaring she could not wait to go home, Imelda Marcos on Thursday angrily and tearfully rejected the terms the Philippine government has set for her return and hinted she would not be going anywhere soon.

The government offered Mrs. Marcos travel documents good for only a month that would only allow her to go back to Manila and not leave. The government says Mrs. Marcos, 62, can go home to stand trial on 38 charges of tax evasion that were filed earlier Thursday.

"I am surprised about this decision and it is really unbelievable and kind of shocking because it is so inhumane and cruel," Mrs. Marcos said. She said the main reason she wanted to return home after five and a half years was to bury her husband's body, which remains in a crypt in Hawaii. She said she would consult with her lawyers as to what measures to take.

Senate Rejects Cut in SDI Funding

WASHINGTON (UPI) — The Senate refused Thursday to slow progress on a new anti-missile defense system spawned by the Strategic Defense Initiative, rejecting a series of proposed cuts in a military authorization bill.

The $290 billion authorization bill states as its goal the deployment of interceptor rockets in North Dakota by 1996 as the first step toward deployment of a ground-based anti-missile system with multiple sites.

The legislation urges President George Bush to pursue negotiations with Moscow on permitting deployment at additional sites. On Wednesday, the Senate defeated an amendment by Senator Al Gore, Democrat of Tennessee, that would have blocked deployment of the system.

Bad Weather Scrubs Shuttle Lift-Off

CAPE CANAVERAL, Florida (Reuters) — NASA on Thursday postponed the launching of the shuttle Atlantis for at least a day because of bad weather that moved in while engineers were resolving a cockpit pressure problem.

The shuttle was to have been launched at 11:01 A.M., but Kennedy Space Center officials said lift-off would be rescheduled for about the same time on Friday.

For the Record

Fifty-five people were killed and 326 wounded during clashes earlier this summer between Islamic fundamentalists and Algerian security forces, Prime Minister Sid Ahmed Ghozali said Thursday. He said 2,976 people had been arrested since a state of siege was imposed June 5. *(Reuters)*

About 17,000 NATO personnel, 200 aircraft and 55 ships and submarines will take part in an exercise in the North Atlantic from Sept. 10 to 19, NATO said Thursday. *(Reuters)*

TRAVEL UPDATE

Swimming has been banned in the resort town of Santa Margherita Ligure on the Italian Riviera after a reported shark attack. A coast guard plane and two boats have been deployed to patrol local waters. *(Reuters)*

Parisians went to work on a classless Métro on Thursday after the capital's transport authority phased out first-class carriages on the underground rail system. First class will remain on Paris's RER commuter express trains and the national rail network. *(Reuters)*

The Soviet government has agreed to lower the retirement age for air controllers, in an attempt to head off a strike planned for Aug. 10. A spokesman for the controller union said Thursday this was a positive step, but there were other issues still to be resolved — longer vacations and shorter working hours. *(Reuters)*

Lufthansa resumed direct flights to Moscow from Berlin on Thursday. Service was broken off in 1941 shortly before the German offensive against the Soviet Union. *(AFP)*

Midway Airlines, which last month introduced fully refundable excursion fares, has doubled to 48 hours the period in which passengers must buy their excursion tickets after making reservations. *(NYT)*

Port Harcourt International Airport in southern Nigeria is to be closed to traffic beginning Aug. 15 while the runway is being renovated. *(AFP)*

The Weather

Forecast for Saturday through Monday

North America
The high plains of Texas northward through the northern Rockies will have hot weather this weekend into Monday. An area of heavy rain is likely across the Great Lakes states this weekend. Monday will be cool with sunshine returning.

Europe
Spain, much of Portugal and northwestern Africa will have hot weather this weekend and into early next week. A storm from the Atlantic Ocean will bring rain and gusty wind to Ireland and Great Britain this weekend. France will remain dry and warm.

Asia
The weekend will be rainy across much of Japan, and it may remain wet into next week. There will be some sunshine in Seoul and Beijing. After some showery weather Saturday, Manila's weather will improve. A few thundershowers will dot Southeast Asia.

Europe

	Today High	Today Low	Wx	Tomorrow High	Tomorrow Low	Wx
Algarve	32/89	18/64	s	32/89	18/64	s
Amsterdam	24/75	13/55	s	26/79	13/55	s
Athens	29/84	19/66	pc	28/82	18/64	pc
Barcelona	31/88	18/64	s	31/88	18/64	s
Belgrade	23/73	14/57	t	23/73	14/57	t
Berlin	22/71	13/55	s	25/77	13/55	s
Brussels	25/77	14/57	s	27/80	14/57	s
Budapest	23/73	12/53	t	23/73	12/53	pc
Copenhagen	24/75	14/57	s	24/75	14/57	s
Costa Del Sol	33/91	21/70	s	34/93	21/70	s
Dublin	21/70	13/55	sh	24/75	14/57	pc
Edinburgh	21/70	13/55	s	23/73	14/57	pc
Florence	28/82	16/61	s	29/84	18/61	s
Frankfurt	23/73	13/55	pc	27/80	13/55	s
Geneva	27/80	13/55	s	29/84	13/55	s
Helsinki	23/73	12/53	s	23/73	12/53	s
Las Palmas	30/86	22/71	s	30/86	22/71	s
Leningrad	23/73	12/53	s	23/73	12/53	s
Lisbon	29/84	18/64	s	29/84	18/64	s
London	25/77	15/59	s	27/80	13/55	s
Madrid	34/93	18/64	s	36/97	18/64	s
Milan	28/73	16/61	s	28/82	16/61	s
Moscow	24/75	12/53	s	24/75	12/53	s
Munich	19/66	13/55	sh	24/75	13/55	s
Nice	29/84	18/64	s	30/86	18/64	s
Oslo	25/77	13/55	s	25/77	13/55	s
Paris	27/80	14/57	s	29/84	14/57	s
Prague	23/73	13/55	c	25/77	13/55	s
Reykjavik	18/64	10/50	t	15/59	7/44	pc
Rome	29/84	18/64	s	30/86	18/64	s
Stockholm	23/73	14/57	s	25/77	14/57	s
Strasbourg	23/73	12/53	s	26/79	13/55	s
Venice	27/80	17/62	s	28/82	17/62	s
Vienna	21/70	13/55	c	24/75	13/55	s
Warsaw	25/77	14/57	s	24/75	14/57	s
Zurich	23/73	13/55	s	25/77	13/55	s

Asia

	Today High	Today Low	Wx	Tomorrow High	Tomorrow Low	Wx
Bangkok	31/91	26/79	pc	32/89	26/79	pc
Beijing	33/89	22/71	pc	31/88	21/70	s
Hong Kong	31/88	24/75	pc	32/89	25/77	pc
Manila	34/93	26/79	t	34/93	26/79	pc
New Delhi	39/102	29/84	pc	38/100	28/82	pc
Seoul	28/82	22/71	sh	27/80	22/71	s
Shanghai	32/89	22/71	pc	32/89	23/73	pc
Singapore	32/89	25/77	pc	32/89	25/77	pc
Taipei	34/93	24/75	pc	34/93	25/77	pc
Tokyo	32/89	24/75	pc	31/88	24/75	pc

Africa

Algiers	31/88	19/66	s	31/88	19/66	s
Cape Town	16/61	9/48	c	16/61	10/50	pc
Casablanca	34/93	21/70	pc	34/93	21/70	pc
Harare	25/77	16/61	pc	26/79	17/62	s
Lagos	30/86	25/79	pc	30/86	25/77	pc
Nairobi	21/70	11/52	pc	21/70	12/53	pc
Tunis	32/89	23/73	s	33/91	23/73	s

Latin America

Buenos Aires	14/57	3/37	pc	15/59	2/35	pc
Caracas	31/88	25/77	pc	31/88	24/75	pc
Lima	19/66	13/55	pc	19/66	13/55	pc
Mexico City	25/77	14/57	pc	26/79	14/57	pc
Rio de Janeiro	22/71	14/57	pc	24/75	16/61	s

North America

Anchorage	14/57	9/48	sh	13/55	8/46	pc
Atlanta	32/89	22/71	t	32/89	22/71	pc
Boston	34/93	22/71	s	31/88	19/66	pc
Chicago	31/88	19/66	t	30/86	18/64	t
Denver	31/88	15/59	t	29/84	15/59	t
Detroit	31/88	18/64	pc	29/84	19/66	sh
Honolulu	31/88	25/77	pc	31/88	23/73	pc
Houston	34/93	23/73	pc	34/93	23/73	t
Los Angeles	28/82	19/66	pc	28/82	19/66	pc
Miami	33/91	26/79	t	32/89	25/77	pc
Minneapolis	25/77	16/61	t	28/82	14/57	pc
Montreal	28/82	16/61	pc	26/79	12/53	pc
Nassau	33/91	26/79	pc	32/89	26/79	pc
New York	34/93	23/73	s	33/91	22/71	pc
Phoenix	41/106	28/82	pc	41/106	28/82	s
San Fran.	21/70	12/53	pc	22/71	13/55	pc
Seattle	25/77	14/57	pc	23/73	14/57	pc
Toronto	28/82	17/62	pc	27/80	18/64	sh
Washington	36/97	23/73	s	36/97	24/75	pc

Middle East

Ankara	34/75	12/53	sh	31/70	12/53	sh
Beirut	32/89	22/71	pc	32/89	22/71	pc
Cairo	32/89	18/64	s	33/91	18/64	s
Damascus	33/91	18/64	s	33/91	18/64	s
Istanbul	22/71	16/61	sh	23/73	14/57	t
Jerusalem	29/84	18/64	s	30/86	18/64	s
Riyadh	42/107	27/80	s	42/107	28/79	s

Oceania

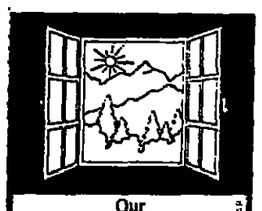
Auckland	15/59	5/48	sh	14/57	7/44	pc
Sydney	17/62	6/43	pc	17/62	6/43	pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice.

All maps, forecasts and data by Accu-Weather, Inc.©1991

UNIVERSITY DEGREE
BACHELORS • MASTERS • DOCTORATE
For Work, Life and Academic Experience • No Classroom Attendance Required
(213) 471-0386
FAX (213) 471-6456
Call or write for information or send detailed resumé for Free Evaluation
Pacific Western University
600 N. Sepulveda Blvd., Dept. 23
Los Angeles, CA 90049

Michel Swiss
PERFUMES-COSMETICS
FASHION GIFTS
Top export discounts !
Monday to Saturday 9 am. 6.30 pm.
16, rue de la Paix, 75002 Paris
24, av. de l'Opera, 75001 Paris
Tel. : (1) 42 61 61 11



Our
air condition
– the clean, fresh mountain air.

PALACE HOTEL
GSTAAD
SWITZERLAND
Please call:
Phone 030/8 31 31 Telex 922 222
Telefax 030/4 33 44
The Leading Hotels of the World

To our readers in Berlin
You can now receive the IHT hand delivered to your home or office every morning on the day of publication. Just call us toll free at 0130 84 85 85

Harry's New-York Bar
Est. 1911 PARIS
THE OLDEST COCKTAIL BAR IN EUROPE TM
Just tell the taxi driver, "Sank roo doe noo" TM
PARIS: 5, rue Daunou MONTREUX: Montreux Palace
HAMBOURG: Bleichenhof

An Expanding Business: Bungee Jumping for Fun and Profit Takes Off in the U.S.

New York Times Service

NEW BRAUNFELS, Texas — Once, those who wanted to hurl themselves from high places, plunge a hundred feet or so and then bounce giddily at the end of an elastic cord had to pursue their passion on the sly and sneak onto bridges for illicit leaps. But no more.

Bungee jumping, a mildly outlaw activity through most of the 1980s, is now a booming business. Enterprises offering supervised jumps from construction cranes and hot-air balloons — heights reach 320 feet (100 meters) and fees, $99 a leap — have sprouted in at least nine states.

Though several people have died in leaps overseas, commercial bungee jumping in the United States has a good safety record. But the industry's rapid growth is raising concern about a lack of government regulation and uniform training for those supervising the jumps.

Joe Bergman, of Jump Master Bungee in Livingston, New Jersey, said: "We need some guidelines to make sure people going into the business are trained. This is not as easy as it looks. There are a lot of technical calculations you have to make."

For the thrill-seekers themselves, bungee jumping is sheer simplicity. It supplies an intoxicating rush of adrenaline for relatively little expense and almost no energy — compared with, say, skydiving — and no advance training is needed.

A jumper is provided with a body harness that attaches to a set of three, four or five elastic bungee cords. The bungees hook into nylon webbing that is bound around a crane, balloon basket or other structure.

As the jumper plunges earthward, the cords stretch to about twice their normal length and then contract, cushioning the fall and bringing on slingshot-like rebounds.

Though no one officially tracks the industry, interviews with bungee entrepreneurs around the country suggest that clients are plunging from platforms and baskets more than 1,000 times a week.

In four years of commercial jumping in the United States, no deaths or serious injuries have been reported. But in 1989, three people died bungee jumping in France, where a single-cord system was used; two of the people died when their cords broke, and one slammed into a tower. Deaths have also occurred in Australia, Germany and New Zealand.

After the accidents, France banned the activity, although it allows it if the operator has a special short-term permit. One state in Australia also instituted a ban.

Bungee operators elsewhere in Australia and in New Zealand have developed safety standards and asked their governments to enforce them, said Geof Pearson, spokesman for World Bungee, an Australian operator.

In the United States, commercial bungee jumping appears to be a lawless province, other than local building codes, zoning ordinances and state liability insurance requirements for entertainment sites.

Debbie Edgecombe, a consumer analyst at the California Department of Consumer Protection, said she had received numerous calls about the activity in recent weeks. "People want some kind of standards for this industry, and at this point there are none," she said.

Jane Vidler, a spokeswoman for Lloyd's of London, said companies that sell insurance to cover unusual risks "are not touching it at this time" because of uncertainty about the activity's potential legal status.

The U.S. Consumer Product Safety Commission, which has jurisdiction over mobile carnival rides, is investigating the use of cranes in commercial bungee jumping. James De Marco, a compliance officer at the commission, said it might be possible for the federal government to enforce standards set up by the industry, with the Australian plan as a model.

Even enthusiasts are concerned. John Kockelman, the 32-year-old "grandfather" of American commercial bungee jumping, who with his brother founded the first jumping enterprise, in Mountain View, California, has written a detailed safety manual for a fledgling industry group called the United States Bungee Jumping Association.

"If people are going to get hurt, it will not be because a cord breaks," he asserted. "It will be human error. This manual can show people how to avoid that."

The roots of bungee jumping are in a South Pacific rite of manhood and harvest blessing. Each spring the "land divers" of Pentecost Island still twist liana vines into cords, lash them to their ankles and leap from trees or specially built towers.

Modern bungee jumping, using wrist-thick bundles of rubber strands wrapped in woven nylon, was born on April Fool's Day, 1979, when members of the Oxford Dangerous Sports Club attached bungee cords to themselves and dived from the 245-foot Clifton Bridge in Bristol, England.

In New Braunfels, a resort town near San Antonio, a bungee tower has been erected on a limestone cliff, 120 feet above the Guadalupe River. Half suspension bridge, half gangplank, the tower arches partway across the gorge and ends abruptly in a small platform.

Since the venture, called Bungy Over Texas, opened July 4, Mike Stine, a safety consultant on bungee jumping, has introduced hundreds of jumpers to the chills of free fall. Stine owns Vertigo Bungee of Lake Tahoe, Nevada, which assists entrepreneurs in setting up companies.

"This will be the most terrifying moment of your life," Mr. Stine calmly told a reporter who was quivering on the platform. Then came the moment: "Five-four-three-two-one-JUMP!"

He was correct. In the two or three long, long seconds after a jumper's feet leave the tower, breath disappears with startling completeness.

There is a ridiculous, fleeting urge to try to climb the air.

Just when the butterfly-stomach sensation, familiar to riders of roller coasters and fast elevators, seems to be expanding beyond what the body can bear, the bungee cords tug at the harness, and the first, deep bounce begins. In that instant, exhilaration replaces terror.

Though a mighty rebound tosses the jumper into another free fall, and then another, it is possible to breathe again. It is even possible, with a minor effort, to relax and take in the trees and the river, flashing brilliantly below.

U.S. Senate Votes To Permit Women To Fly in Combat

By Eric Schmitt
New York Times Service

WASHINGTON — The Senate has voted overwhelmingly to overturn a 43-year-old law that bars women from flying warplanes in combat.

The measure, an amendment to the military budget bill for the 1992 fiscal year, would permit, but would not require, the air force, the navy, the army and the Marine Corps to allow women to fly combat missions.

The vote Wednesday made enactment of the measure virtually certain.

The House approved similar legislation last month, and Defense Secretary Dick Cheney has indicated that he does not oppose the provision.

The chiefs of the four uniformed services have expressed strong reservations to opening combat positions to women. But the performance of the 35,000 women who served in the Gulf war has generated strong support in Congress and in opinion polls to broaden women's role in the military, and the Pentagon is likely to go along grudgingly.

"I can't predict exactly what we'll do," the Pentagon spokesman, Pete Williams, said. "But if the ultimate direction given us is to lift the combat-exclusionary law, then I think we'll look at it and proceed carefully."

Current military policies technically restrict women to noncombat functions, but the distinction is sometimes a fine one.

Although they could not serve in the infantry or artillery, on in fighting ships or in combat aircraft during the Gulf war, female helicopter pilots ferried food, fuel and troops throughout combat zones.

Most senior military officers and Pentagon officials oppose allowing women to serve in ground combat forces, which may require superior physical strength and endurance, but some lawmakers and women's rights advocates want servicewomen to have the option of making the grade.

The measure approved Wednesday does not apply to combat surface ships or submarines, or to armored, artillery or other ground forces.

But it does apply to combat flying by women in all four services.

The army, unlike the other services, is not technically covered by the 1948 law and instead has internal regulations consistent with it.

A vote on the entire $291-billion military budget bill is expected Friday or Saturday.

Although the Senate approved the measure by voice vote, the outcome was actually sealed earlier in the day when, on a vote of 69 to 30, the amendment's supporters defeated an attempt to kill it.

Both Barbara A. Mikulski, Democrat of Maryland, and Nancy Landon Kassebaum, Republican of Kansas, the two women in the Senate, voted to save the measure.

"This is a victory for the women pilots who demonstrated in the Gulf their capabilities, their heroism and their competency," said Senator Edward M. Kennedy, Democrat of Massachusetts, a principal sponsor of the amendment. Senator William V. Roth Jr., Republican of Delaware, was the other main sponsor.

Opponents of the amendment offered a competing measure to create a commission to study the issue and make recommendations by December 1992.

That amendment also passed, 96 to 3, but the strategy failed: 29 Republicans and 40 Democrats voted for the aviator amendment as well.

The commission, which is not expected to conflict with provisions of the amendment, is expected to ask Mr. Cheney to open temporarily to women a select number of positions in a wide array of combat jobs to test women's performances and their effect on previously all-male units.

The large vote in favor of the amendment shocked even the bill's staunchest supporters and marked a stinging setback for Senator Sam Nunn, the Georgia Democrat who chairs the Armed Services Committee, and Senator John W. Warner, the panel's senior Republican.

They, along with Senator John Glenn, Democrat of Ohio, and Senator John S. McCain 3d, Republican of Arizona, sponsored the commission amendment, and lobbied furiously to kill the rival measure.

They argued that the Senate needed more time to study the complicated issue.

In response to public opinion after World War II that women should play a smaller role in the military, Congress approved legislation in 1948 that limited the number of women serving in the military, restricted the rank they could achieve and created the ban on flying warplanes in combat. The first two provisions were repealed in the late 1960s.

The Associated Press

GIRL SCOUTS DIE IN BUS CRASH — Sonny Bono, the mayor of Palm Springs, California, comforting a victim of a bus accident in Palm Springs. The bus, carrying Girl Scouts from the United States and Finland, apparently lost its brakes and rolled over several times down a slope, killing four scouts, two chaperones and the driver. At least 34 people were injured, 10 critically.

U.S. Nuclear Weapons Plants Used Illegal Wiretapping Gear

By Keith Schneider
New York Times Service

WASHINGTON — The Energy Department's inspector general has found that security personnel at the nation's nuclear weapons plants illegally acquired and used equipment for wiretapping, eavesdropping and other surveillance in violation of department regulations and federal law.

The inspector general's findings about surveillance of employees, including some who had publicly complained of serious safety problems at the Hanford nuclear reservation in Richland, Washington, directly contradicts assertions by Hanford's security directors, in public and in legal depositions, that the plant had no such surveillance equipment.

The report, which is expected to be made public shortly, also raises new questions about the ability of Energy Secretary James D. Watkins and his top deputies to oversee the department's employees and contractors that operate Hanford and the other weapons plants and laboratories for the government.

Engineers at Hanford had complained that they were victims of illegal wiretaps and surveillance after they disclosed severe environmental, safety and security lapses at the plant. The problems have all been confirmed by the department.

But Inspector General John C. Layton said in his report that he found no direct evidence the surveillance equipment had been used against critics of the plant.

But he identified an array of sophisticated listening devices and a wiretapping network so extensive that it can listen in on 200 phones at once, according to a copy of the report that was made available in advance by a critic of the department.

It is illegal, in most cases, for wiretapping equipment or eavesdropping devices to be used without a court order. Only law enforcement agencies designated by the states or investigative agencies designated by Congress are lawfully allowed to use such equipment, say security experts.

Mr. Layton said he found evidence that similar surveillance equipment was being used by security forces at other nuclear weapons plants, among them the Idaho National Engineering Laboratory near Idaho Falls and the Savannah River nuclear weapons plant near Aiken, South Carolina. The bulk of the investigation, though, focused on Hanford and its 750 security workers.

The report said officials at Hanford, which is operated by three big contractors, including Battelle, which operates a major laboratory at the plant, and a subsidiary of Westinghouse Electric Corp., evaded questions from the inspector general about why such technical listening equipment would be needed by the security force, nearly 400 of whom are armed uniformed guards. The Hanford plant employees 15,000 people and covers almost 600 square miles (1,550 square kilometers) along the Columbia River.

But the report noted that Hanford's security forces conduct criminal investigations, operate covert surveillance and counterintelligence programs to protect the plant against terrorists, and provide perimeter security for Hanford's closed plutonium production buildings and laboratories. Since the mid-1980s, the Energy Department has spent billions of dollars to improve safeguards and security for its weapons plants.

In the draft of the report, Mr. Layton omitted specifically listing the kinds of equipment Hanford and the other weapons plants possessed, saying such information is classified.

Employees at Hanford who said they were familiar with such equipment describe the devices as capable of listening through walls, monitoring computer and telephone messages from remote locations, and remotely recording conversations with tiny microphones that can be planted in telephones, homes and offices.

U.S. Asserts Peru Widened Rights But Senators Balk at Releasing Aid

By Clifford Krauss
New York Times Service

WASHINGTON — After months of internal debate, the United States has determined that Peru has improved its lackluster performance on human rights enough to release $94 million in aid, largely intended to combat the cultivation of narcotic coca plants, State Department officials said.

The move immediately drew strong condemnation in Congress and among human-rights groups who asserted that the Peruvian Army had the worst record of summary executions, disappearances and torture of any military in Latin America.

Senator Patrick J. Leahy, chairman of the Senate appropriations subcommittee on foreign operations, announced his intention Wednesday to block the move.

U.S. officials did not dispute that the Peruvian Army continued to violate human rights, but they noted that Lima deserved special consideration given that it is under siege from drug lords, a cholera epidemic and the most violent guerrilla movement in the hemisphere.

They also said that as long as Peru is the source of 60 percent of the cocaine imported into the United States, Washington must try to develop growing cooperation with the government in eradicating coca plants.

Under the International Narcotics Control Act, the United States cannot provide anti-drug funding to the four Andean governments until it issues a determination to Congress that they have gained effective control over their police and armed forces to improve their human rights conduct.

The United States determined in January that Colombia, Bolivia and Ecuador fulfilled the criteria, but it delayed its decision on Peru until late Tuesday because of persistent reports that the army was repressing peasants while protecting coca planters.

In the formal determination, Deputy Secretary of State Lawrence S. Eagleburger wrote that Peru deserved military and economic aid because it had provided wider access to international human rights monitors, purged the security forces of many implicated in abuses, and "virtually eliminated" paramilitary activity.

Juan Méndez, executive director of the human rights group Americas Watch, disputed the decision, asserting that the army and police still "commit egregious human rights violations on a systematic basis."

Peru stands to gain $34 million in military aid, much of which would go for helicopters and helicopter training that police and army units could use to eradicate coca plants that grow through much of the Andes.

The $60 million in economic aid would be earmarked for balance of payments relief and projects intended to give farmers who grow coca plants alternative sources of income. Congressional foreign policy and appropriations committees have 15 days to object to the U.S. determination in order to block the disbursement.

Brazil Reports JAL 'Bomb' Was Ruse by an Employee

The Associated Press

SAO PAULO — In a bomb scare here July 9, a Japan Air Lines employee put a crude device into a suitcase intended for a jumbo jet flight to Tokyo and then "discovered" it during X-ray inspection, all in an attempt to save his job, the federal police reported.

The employee, José Luiz Prado Stiebler, was charged with endangering human lives, a crime punishable by up to six years in prison, a federal police inspector, João Cancio Pereira, said Wednesday.

"Stiebler often moonlighted for JAL as a baggage inspector and was about to be laid off as a result of cost-cutting measures," Mr. Pereira said.

"To impress JAL officials with his alertness and avoid being fired, he made the bomb and placed it inside the suitcase," he said.

The bomb was a crude device made from a soda can filled with gunpowder, a timer, a pen-light battery and at least a dozen fireworks explosives.

Federal police took the device to an adjacent air force base and detonated it with a pistol shot.

The police at first speculated that the incident could have been a terrorism attempt by some group like the Red Army Faction in Japan. But the federal chief of police, Romeu Tuma, said the bomb appeared to be the work of an amateur.

General de Castries Dies, Dien Bien Phu Defender

Compiled by Our Staff From Dispatches

PARIS — Brigadier General Christian de la Croix de Castries, 88, whose soldiers stubbornly defended but ultimately lost France's decisive battle in Vietnam for Dien Bien Phu, died Monday in Paris. He was weakened by war wounds and had suffered a lung edema.

Dien Bien Phu fell to the Communist-led Viet Minh nationalists on May 8, 1954, after a siege of 55 days. The defeat marked the end of French efforts to retain Vietnam as a colony. General de Castries was promoted to brigadier general during the siege; his general's stars were dropped by parachute. He was held prisoner by the Viet Minh forces for three months after surrendering Dien Bien Phu.

He was born in Paris to an aristocratic family. One of his ancestors was the Marquis Charles de Castries, who fought under Louis XV. The marquis' son, Armand, served under Lafayette in the American Revolution.

The general was twice wounded in action during World War II. Troops under his command took Siena in Italy, and he helped capture Karlsruhe and Freudenstadt in Germany.

An accomplished horseman, he once held world jumping records for height and width. *(AP, Reuters)*

Youssef Idris, 64, Egyptian Journalist

CAIRO (Reuters) — Youssef Idris, 64, an Egyptian journalist, playwright and author died Thursday in London, the news agency MENA said.

Mr. Idris wrote nine plays, 11 novels, and numerous collections of short stories. His works were translated into 24 languages. The cause of death was not immediately known but he had been undergoing medical treatment in London for two months after a brain hemorrhage.

■ *Other deaths:*

Earl Attlee, 63, a founding member of Britain's Social Democratic Party and the only son of Prime Minister Clement Attlee, of a stroke Saturday in London.

Max Jaffa, 79, violinist and entertainer who was a star of Britain's radio age, Tuesday in London. He retired last year after a career spanning more than 60 years in which he played a mix of classical and light music.

Xu Shijie, 71, a Chinese Communist Party leader who lost his post amid rampant corruption in his island province of Hainan, of stomach cancer Saturday in Guangzhou, China.

Major General Bryan L. Milburn, 95, who served in the U.S. Army in three wars and helped to govern Berlin after World War II, Saturday in Laverock, Pennsylvania, after a brief illness.

Garith Windsor, 80, former editor of the English-language edition of the magazine Réalités, after a heart attack in the Paris suburb of Bobigny on July 26.

William Ball, 60, who realized the concept of an American Conservatory Theater and made his San Francisco-based organization one of the most enduring repertory companies in the United States, was found dead in his Los Angelese apartment Tuesday. Suicide was suspected.

Infant Death Syndrome Linked to Sleep Position

Reuters

SYDNEY — Medical experts meeting in Australia offer simple advice to help prevent thousands of babies dying inexplicably in their beds every year: Don't let infants sleep on their stomachs.

Researchers investigating crib death or Sudden Infant Death Syndrome have concluded that infants who sleep on their stomachs have a significantly increased risk of dying from the syndrome.

Experts from Europe, Australia and New Zealand urged a program to educate parents about the risk to infants. "Such a program could save thousands of lives worldwide," said Professor Terry Dwyer, of Australia's Menzies Center for Population Research.

Researchers carried out a three-year study of 3,500 babies in the Australian island state of Tasmania, the first prospective study of the syndrome from birth to death. Of these babies, 19 died of the syndrome, and Mr. Dwyer concluded that the prone position might account for 40 percent of the deaths.

"The risk in infants who are placed prone, that is on their stomachs, is of the order of three times or more greater than for infants who are placed on their side or on their back," Mr. Dwyer said.

Woman and Sperm Bank Settle Suit

The Associated Press

NEW YORK — A white woman who gave birth to a biracial baby after having been artificially inseminated has accepted $400,000 to settle a lawsuit against her doctor and a sperm bank, a lawyer says.

Neither the sperm bank nor the doctor admitted guilt in the settlement, the laboratory's lawyer, John Wright, said Wednesday.

Julia Skolnick sued Idant Laboratories and Advanced Fertility Services, a medical practice run by Dr. Hugh Melnick, in 1989, three years after she gave birth to a child, who was of mixed race.

She was to have been inseminated with sperm that had been put in storage in 1985 by her husband, who was white, before he began chemotherapy treatment for cancer.

Mrs. Skolnick gave birth in December 1986. Her husband died three years later.

"She loves this baby like crazy, but she had wanted her husband's baby," said David Gould, the woman's lawyer.

Mrs. Skolnick and the child have suffered emotionally, Mr. Gould said. The child is taunted by playmates for looking different than her mother, and the woman was accused of having had an affair while her husband was dying, he said.

"All the parties concurred that frankly it would be in the best interests of the child to avoid a trial if possible," said Robert Whittaker, Dr. Melnick's lawyer.

The lab and the doctor blamed one other, Mr. Gould said. The New York state Health Department found unused sperm samples from the woman's husband in Dr. Melnick's offices, Mr. Gould said.

The sperm bank has been closed and a permit to reopen is pending, said Frances Tarlton, a spokeswoman for the state Health Department.

Idant Laboratories agreed in May to pay $100,000 to Mrs. Skolnick, and Dr. Melnick agreed last month to pay $300,000, the woman's lawyer said.

Irish President to Visit U.S.

The Associated Press

DUBLIN — President Mary Robinson will visit the United States in mid-October. Her itinerary will include Chicago, Los Angeles, San Francisco, Boston and Providence, Rhode Island.

LASSERRE
Closing August 3 after dinner.
Reopening September 3.

Les FRERES LAYRAC
New address:
AT THE HEART OF SAINT-GERMAIN-DES-PRES
Opposite the church and 11, rue Saint-Benoit
LE MUNICHE
Tel.: 46.33.62.09
LE PETIT ZINC
Tel.: 46.33.51.66
OYSTERS, SEAFOOD
ALL YEAR ROUND
Everyday, service between Midday and 2 a.m. without interruption

SIAM LODGE GROUP OF HOTELS
BANGKOK AIRPORT · BANGKOK · PATTAYA · CHIANGMAI · PHUKET
BANGKOK

Celebrate at Bangkok airport! Just minutes from the planes, across the connecting footbridge, a tranquil oasis of comfort and convenience.
Cool elegant guest rooms, superb restaurants, delightful garden, swimming pool, health club, sauna, massage, excellent conference facilities, and regular downtown shuttle bus service. Ideal for a few hours relaxation, a restful overnight stay, or a bite before the flight.
One of the world's finest airport hotels.
AIRPORT HOTEL
Airport Hotel BANGKOK
333 Chert Wudthakas Road, Don Muang, Bangkok 10210, Thailand
Telephone: (02) 566-1020, 566-1021 Telex: TH 81429 or 82425 AIRHOTL Telefax: (02) 566-1943
Reservations worldwide: Utell International, Dolce Reservations.

Herald INTERNATIONAL Tribune
Published With The New York Times and The Washington Post

OPINION

On With Arms Control

The summit meeting in Moscow made notable advances with the signing of a strategic arms accord and a dramatic commitment to convene a Middle East peace conference in October. But Presidents George Bush and Mikhail Gorbachev both shied away from the hard, imperative task of seeking deeper reductions in the nuclear arms that still imperil the world.

Both said it would be impractical to eliminate their arsenals at a time when other nations still possess nuclear arms. Mr. Bush expressed particular concern about nuclear weapons in the hands of "renegades." But he seemed to rule out the risk of renegade nationalists or military officers in the Soviet Union gaining access to some of its huge stockpile of weapons. The best way to reduce that risk, however remote, is to negotiate further cuts.

The Strategic Arms Reduction treaty signed on Wednesday cuts the long-range nuclear arsenals of the two sides for the first time since the superpower arms race began. Just as important, it provides a framework of definitions, accounting practices and verification procedures that would facilitate further reductions without the need to retrace the long and tortured path that finally produced this treaty.

Further reductions are needed because even with a 35 percent cut in START, a chaotic Soviet Union still has 7,000 long-range nuclear weapons, and thousands more in its shorter-range arsenal. But the Soviets will reduce these stockpiles only if the United States agrees to corresponding cuts.

Many other nuclear arms might be cut without protracted talks. U.S. short-range nuclear missiles and artillery in Europe have become superfluous with the Red Army's withdrawal. They could now be removed safely in response. The United States and the Soviets might simply exchange notes acknowledging these withdrawals, leaving verification procedures, sure to be difficult and time-consuming, to be worked out later on.

Both sides also have thousands of nuclear warheads at sea. Those on surface ships and aircraft carriers are inherently vulnerable to attack, which in times of crisis would create pressure to use them or lose them. These could be negotiated away or safely withdrawn unilaterally. And the sea-based weapons on both sides' submarines need electronic locks to protect against unauthorized use. Both sides could profitably talk about adopting such precautions.

The summit meeting brings the first arms control treaty that will actually reduce nuclear arsenals. But making the world safer from nuclear disaster has only just started.

— THE NEW YORK TIMES.

Yes to Missile Defense

As the threat of a large nuclear war with the Soviet Union has shrunk, so the threat of Third World attack or an accidental or unapproved Soviet firing has become more plausible. This is the logic on which the Senate Armed Services Committee has based its proposal for early deployment of a defense against limited missile attack. Currently, the United States has no missile defense. Under the new plan, it would deploy 100 non-nuclear interceptor missiles at Grand Forks, North Dakota, by 1996. They would be futile against a full-scale Soviet attack but not against a light attack — against, that is, what the spread of weapons technology and missiles has made the likeliest threat. The danger was dramatized by Iraq's Scuds and the possibility of effective response by America's Patriots — technologically, a pale version of what would go at Grand Forks.

The committee anticipates extending across the country the degree of protection that the Grand Forks missiles would offer the heartland. But since the Anti-Ballistic Missile Treaty of 1972 prohibits missile defense at more than one site, the United States would ask the Soviet Union to join in amending the treaty to permit multiple sites. Further amendment would be needed to deploy the requisite sensors in space. The committee judges that the Soviets could approve a request for treaty amendment. Moscow has always been more serious about missile defense, having availed itself, as Washington has not, of the ABM Treaty's option of building one site, and feeling perhaps even more exposed to errant attack.

Reflection on the numbers could help convince the Soviets and others that the plan fits snugly the ABM Treaty's core purpose of affording each side continued deep faith in the survivability of its retaliatory force. The number of new defensive missiles would be in the low hundreds, against the 8,000 offensive weapons that this week's START treaty leaves each side. Those missiles, moreover, would be ground-based — not the space-based sort of Ronald Reagan's initial "star wars" vision and of George Bush's favored Bright Pebbles, which would remain in research and under heavy budget pressure. Deployment cost is put within the $4 billion a year now spent on defense research.

A redesign and first deployment of defensive missiles just as the Cold War winds down? The idea will take some getting used to in the parts of the administration that cling to the more ambitious Bright Pebbles and in the House, a bastion of resistance to missile defense. There must be confidence that the new program meets the right threat efficiently and does not undermine old-fashioned deterrence or play into the hands of Soviet hard-liners. At this point, however, it seems to make sense.

— THE WASHINGTON POST.

A Gorbachev in Pretoria

Faced with a major scandal within South Africa's ruling party, President F. W. de Klerk has moved sideways to protect his right flank while moving forward to placate his critics. He told his country on Tuesday that he did not know about secret subsidies to Inkatha, a black movement favored by white conservatives, and that it would not happen again. And he has demoted cabinet hard-liners, putting moderate colleagues in charge of defense and internal security.

It is a performance, in short, reminiscent of Mikhail Gorbachev. Both leaders have given powerful impetus to liberating reforms, but both contend with entrenched enemies inside the parties they seek to transform. They survive by tacking with the wind. Whatever their faults, the world has a considerable stake in their efforts to open closed societies and closed minds.

Mr. de Klerk has done the essential minimum. By shifting Defense Minister Magnus Malan and Police Minister Adriaan Vlok to lesser jobs, he has curbed the power of the two officials whose resignations were demanded by Nelson Mandela's African National Congress. The president pledges an end to secret funding of political groups, and a review of covert operations.

Understandably, all of this was rejected as grossly inadequate by the ANC. Pretoria's white rulers have a long history of manipulating political and tribal rivalries. Nearly $600,000 was secretly provided by police to Inkatha and its allied trade unions last year. Although Mr. de Klerk pleads ignorance about this, he acknowledges having known that Pretoria covertly funneled $35 million to allies in Namibia during its 1989 independence election campaign.

Coming clean on these slush funds is essential to restoring a measure of trust between Mr. de Klerk and his black adversaries. So is assuring the impartiality of the police. And Mr. de Klerk has taken only tentative steps toward the next milestone: bringing blacks into a broad-based interim government as talks begin on a democratic, nonracial constitution.

Like the Soviet Union, South Africa is in the throes of an upheaval in which long-oppressed peoples can finally clamor openly for real change. But in both countries, reformers cannot afford to ignore the claims and influence of an elite clinging to threatened privileges. That is why Mr. de Klerk merely demoted, instead of dismissing, party colleagues to whom he is obligated. For his part, Mr. Mandela also has political obligations. He put loyalty first by visiting Cuba last week to reciprocate years of support from Fidel Castro, the last dictator in Latin America. But that no more means he is a Communist than Mr. de Klerk's gyrations show him to be a racist. Mr. de Klerk is, rather, a politician, and one who has been monumentally successful so far.

— THE NEW YORK TIMES.

Other Comment

Major Differences Persist

The United States and the Soviet Union are obviously eager, each for its own reasons, to convene a Middle East peace conference as soon as possible. The purpose of these moves is to create an atmosphere of momentousness which will dwarf objections and make those who voice them seem like small-minded souls, deaf to history's call. Yet there are still major differences in the perceptions of the major players over the form and purpose of the talks.

In a recent interview, President Hafez Assad repeated Syria's old slogans with little modification. In fact, Damascus is encouraging terrorist groups to raid Israel's northern border more intensively than ever.

Some of Israel's friends abroad fear that the peace conference is a trap. But if [Prime Minister Yitzhak] Shamir approaches the negotiations with the resoluteness and determination that he has displayed thus far, Israel can turn them into an unprecedented opportunity for peace.

— The Jerusalem Post.

A diplomatic source says the Arabs agreed to participate in the Mideast peace conference to show world public opinion that they really want peace and that Israel is the one which does not want peace or to withdraw from the occupied Arab territories. The source hints at the possibility of a military confrontation between Israel and the Arabs that would prompt the intervention of the Security Council and the great powers to end this confrontation and call the conflicting sides to the negotiating table.

— An Nahar (Beirut).

INTERNATIONAL HERALD TRIBUNE
KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER
Co-Chairmen

LEE W. HUEBNER, *Publisher*

JOHN VINOCUR, *Executive Editor* • WALTER WELLS, *News Editor* • SAMUEL ABT, KATHERINE KNORR and CHARLES MITCHELMORE, *Deputy Editors* • CARL GEWIRTZ, *Associate Editor*
ROBERT J. DONAHUE, *Editor of the Editorial Pages* • REGINALD DALE, *Economic and Financial Editor*

RENÉ BONDY, *Deputy Publisher* • RICHARD H. MORGAN, *Associate Publisher*
JUANITA I. CASPARI, *Advertising Sales Director* • ROBERT FARRÉ, *Circulation Director, Europe*

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France. Tel.: (1) 46.37.93.00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630698.

Directeur de la Publication : Richard D. Simmons
Chairman from 1958 to 1982: John Hay Whitney

Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel.472-7768. Tlx RS56928 Mng. Dir. Asia, Rolf D. Kranepuhl, 50 Gloucester Rd., Hong Kong. Tel. 8610616. Telex: 61170 Mng. Dir. U.K., Garry Thorne, 63 Long Acre, London WC2. Tel. 836-4802. Telex: 262009 Gen. Mgr. Germany: W. Lauterbach, Friedrichstr. 15, 6000 Frankfurt/M. Tel. (069) 726755. Tlx 416721 Pres. U.S.: Michael Conroy, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3890. Telex 427173 S.A. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337
© 1990, International Herald Tribune. All rights reserved. ISSN: 0294-8052.

Losing no time, Mrs. Ivanova sets up business at Kennedy airport.

Mere Fine Words, Until Basic Decisions Are Made

By Flora Lewis

MOSCOW — Go capitalist, go BCCI: That is only a slightly exaggerated version of what haunts many people in the Soviet Union, probably including Mikhail Gorbachev, whose greatest concern is keeping control. They question whether there is really a difference, and in any case whether the country is able to make sure that if it takes the first piece of advice it can avoid the trap of the second.

An extreme example is Sergei Kurginun, an entrepreneur-ideologist who is convinced that full-fledged Soviet capitalism would inevitably turn into a 19th century jungle, and that it would take at least 30 to 50 years more for it to evolve into modern-style liberalism. Already, he claims, Soviet intelligence has evidence that the new businessmen emerging here are simply middlemen for Colombian drug lords.

Mr. Kurginun thinks Mr. Gorbachev's new program for reforming the Communist Party is "awful." He is anti-Communist and wants to get rid of all Marxist-Leninist ideas (instead of leaving them as one of many sources of inspiration, as Mr. Gorbachev proposes). But he wants to keep a strong party, a strong state and a strong elite. In short, he wants state capitalism, arguing that this is an Eastern society with its own traditions and can never be transformed into a Western one.

Among President Gorbachev's strongest supporters in the Communist Central Committee are people who advocate a diluted form of essentially the same idea. They say the Soviet Union must maintain its "originality, its identity," and not "imitate the West."

It is among Mr. Gorbachev's radical critics that applause can be found for the ideas brought by George Bush. They want the West to monitor closely the steps taken to implement change and to be certain that the command system is really being abandoned before pouring in money. They welcome advice, even supervision, which their opponents consider interference.

These conflicting tugs, still far from being resolved, are part of the reason the warm words exchanged by the Soviet and American leaders during the Moscow summit will remain little more than words until fundamental decisions have been made here.

Mr. Gorbachev talks of a new "economic partnership" to complement the "political partnership" with the United States that he says has been achieved. He still thinks that Western governments are the key obstacle to a flood of investment and technology that would propel his country to Western living standards.

For example, he keeps insisting that the COCOM list of Western goods banned for sale to the Soviet Union because they are critical to advanced military techniques is "an obsolete relic of the Cold War" and should be abolished. But apart from telecommunications, which would be important to the civilian infrastructure, Soviet officials have a hard time explaining how that might help production here. They stress the "symbolic importance" of COCOM — the Coordinating Committee for Multilateral Export Controls.

"Mr. Gorbachev has made so many concessions and there's a lack of Western reciprocity," a Central Committee member complains. This attitude belies a real determination to dump the system, as if the many changes that Mr. Gorbachev has indeed initiated were made to please the West even more than to meet absolute Soviet needs.

There is something to this argument that the United States, and the world at large, cannot be indifferent to what happens here. America has not begun to add up its own losses in the Cold War. Victory came at a high cost to its society, too. And there are benefits to be gained from a Soviet Union that becomes a healthy trading partner as well as a satisfied state sharing the West's concern for an orderly world.

There is reason to be grateful to Mr. Gorbachev for what he has done to Soviet foreign policy and to the prospect for ending the arms race, put into effect by the Strategic Arms Reduction Treaty. But gratitude is not a reason to encourage the confusion here, which is bogging down the attempted transition and losing more and more time. Time matters, because when people lose patience and hope for the future nothing constructive can be done. The West at least needs to be clear in setting its own measurements for what it will consider reforms sufficient to give the confidence required for substantial aid and investment.

Both sides are using the same words now — "market," "mixed economy," "democracy," "human rights" — but it cannot yet be taken for granted that they mean the same things. The end of confrontation does not automatically bring understanding. If the Soviets really want to go Western, and if they can, they will inevitably expose themselves to the grave flaws of the West's system as well, epitomized by BCCI. That, too, must be understood, and guarded against by public vigilance.

© Flora Lewis.

Wittingly or Not, Bush Gives the Republics a Boost

By Roman Szporluk

CAMBRIDGE, Massachusetts — George Bush's decision to visit the Ukraine, rather than the secessionist Baltics, might be called opportunistic. He did not want to offend his host; Mikhail Gorbachev still claims to be president of the Lithuanians, Latvians and Estonians. Yet it was the right decision, even if Mr. Bush's advisers perhaps do not appreciate the reasons.

Indeed, a phrase in the president's opening remarks in Moscow suggests that he does not fully grasp the nature of the Soviet crisis: "May God bless the Soviet people — the sovereign people of the Soviet Union."

That sounds as if it came from one of Mr. Gorbachev's speech writers. It certainly does not reflect the position of Boris Yeltsin on Russia's sovereignty. Mr. Bush refers to Soviet republics as counterparts of American states. But the Russian Republic does not want to maintain relations with California or New York; it wants to deal with the United States.

So does the Ukrainian Republic.

Whether Mr. Bush acknowledges it or not, his presence before the parliament of a Soviet republic is bound to have far-reaching repercussions. Since the Ukraine has not voted to leave the Soviet Union, the trip may seem politically safer than a foray into the Baltic states. A visit to the Ukraine does not question the Kiev-Moscow relationship nor contribute to any confrontation of opposing forces. Yet by tacitly endorsing the peaceful evolution of the Ukraine in a democratic direction, Mr. Bush's visit strengthens the independence movement.

The Ukraine has been relatively peaceful, but not because of a lack of potential ethnic friction. This republic of 52 million people, in an area the size of France, has a big Russian minority as well as Tatars, Jews, Poles and Romanians, among others. If the ethnic divisions have not exploded into violence, credit must go to the Ukrainian democratic forces and to efforts of the Russian, Jewish, Polish and other community leaders.

The main force of the Ukrainian national movement, Rukh, considers all residents of the republic, not just ethnic Ukrainians, to be "people of the Ukraine." No restrictions have been adopted or proposed to limit civic rights of the non-Ukrainians. This contrasts with the impatience of the Baltic peoples.

Ukrainian pluralism is reflected in the republic's government. Despite a sizable Communist majority in the parliament, the democratic opposition plays a role larger than its numerical strength would warrant. The Communists are divided into pro-reform, pro-independence forces on one side, and Moscow loyalists who are suspicious of reform on the other.

Even the party conservatives agree that the republic needs to be sovereign — that it should run its domestic affairs and have an independent foreign policy.

Mr. Bush's appearance in the parliament will inevitably have been perceived as extending official American endorsement to the Gorbachev-approved politics of consensus building. But it will also be seen to have approved the Ukraine's striving for a more visible and independent role in the world — and in its relations with Moscow.

The American president's audience will have concluded that because it was being addressed by the head of a foreign state — and a superpower, at that — the Ukrainian parliament has a status higher than that of a regional or provincial assembly. Do American presidents speak before regional bodies in Spain, France or Germany?

Mr. Bush's trip bolsters the forces in the Ukraine and elsewhere in the Soviet Union that do not accept the idea of a "sovereign Soviet people."

The writer, professor of Ukrainian history at Harvard, contributed this comment to The New York Times.

Beware, It Looks Like the Same Old Hafez Assad

By Lally Weymouth

DAMASCUS — On Hafez Assad's wall hangs a portrait of the Battle of Hattin, in which Saladin defeated the Crusaders — evidence for President Assad's oft-implied view that just as Christian sovereignty in Palestine proved temporary, Jewish sovereignty will, too.

I interviewed him for the first time in 1983. Last week he appeared relaxed and in control. I was most struck that, contrary to Western perceptions, he does not appear to have changed his stance on fundamental issues.

Times have changed, of course, and his Soviet patron is far weaker. But he seems to believe that he has discovered an American administration that is sympathetic to his fundamental needs and aspirations.

It is clear from his tone and his manner of speech that President George Bush and Secretary of State James Baker have won his confidence, to the extent that this wily and exceedingly cautious dictator grants anyone a measure of trust. He observes that "the current administration has an experience and an enlightenment about things" that is "good for the region." In his view, the Bush administration shares his long-term goal: the retreat of Israel to its pre-1967 borders and the return of all the occupied territories.

That Israeli Prime Minister Yitzhak Shamir called Mr. Assad's response to the recent Bush letter "revolutionary" led me to hope that the Syrian ruler would say he was prepared to enter direct negotiations with Israel.

He did the opposite, reiterating his willingness to go to a conference but emphasizing that his central goal remains a comprehensive settlement of the Arab-Israeli conflict. This phrase is generally taken in Washington and Tel Aviv as a euphemism for the creation of a Palestinian state, which both Israel and the United States oppose.

Mr. Assad continues to oppose a separate peace treaty with Israel, despite the fact that the Camp David agreement secured for Egypt renewed sovereignty over every inch of the Israeli-occupied Sinai Peninsula.

Pressed on direct talks, he evaded the question, insisting that direct negotiations were neither the road to peace nor an end in themselves. He stressed that the result of the conference must be a comprehensive settlement. As for a territorial compromise, he said: "We have never grown accustomed nor shall we get used to the idea of giving our land to help others and assure them that their security is safe."

He spoke with chilling intensity when I asked him about Syrian support for terrorists. He asked if I was including terrorism directed against Israel. When I replied in the affirmative, he launched into a long answer:

"Palestinians, Lebanese and Syrians are peoples whose land is occupied. Will they sit with their arms folded? Will they give up their identity and land and homes without fighting for them? ... Such people cannot be called terrorists."

This answer is unacceptable to the United States, which has always considered politically motivated acts against noncombatants to be terrorism — including acts against Israelis.

Mr. Assad has long had and still has an involvement with terrorist activities and groups. Yet he claimed that he had never even heard of the Kurdish terrorist organization PKK or of the Armenian ASALA, groups known to have training camps in the Syrian-controlled Bekaa in Lebanon.

He claimed that the United States had no proof of his involvement in terrorism, although the U.S. government first presented Syria with precise and detailed information on the Bekaa training camps three years ago. And last April, Morris Busby, then the senior State Department official responsible for monitoring international terrorism, visited Damascus to lay out evidence of Syrian complicity.

An interview with President Assad leaves a journalist perplexed as to where either Israel or America sees "revolutionary" change.

A well-informed U.S. diplomat agrees that Mr. Assad has not changed his fundamental views on regional issues, although — in a sense, this is a major change — Mr. Assad now "trusts" Mr. Bush and Mr. Baker.

To a striking degree, Syria remains a police state ruled by an absolute dictator. Frankly, it is hard to see why Mr. Bush and Mr. Baker manifest no interest in promoting freedom and democracy in Syria but are prepared to embrace Mr. Assad as a peacemaker.

The Bush administration might take a long hard look at the country and regime that it now appears so excited about, before Israel is compelled to enter agreements that threaten its security. America blundered by failing correctly to gauge the nature of Saddam Hussein's regime in Baghdad and Saddam's character. The result of that error can be measured in blood. It is difficult to fathom why there seems to be an inclination on the part of Washington to make a parallel mistake.

The Washington Post.

To Our Readers

In an early edition yesterday, an article by Brian Beedham, "Nine Accidental Deaths in the Family," appeared on this page with several lines of text misplaced. The International Herald Tribune apologizes to its readers.

Why Can't Bush Work At Home?

By Stephen Rosenfeld

WASHINGTON — Did you see where the paper said Mikhail Gorbachev stayed up until 3 A.M. during his summit with George Bush? A START snag, a Middle East breakthrough, something urgent like that? No, something evidently even more urgent: Mr. Gorbachev was hammering into place, with Boris Yeltsin, a provision of the landmark new union-republic treaty setting the terms of revenue sharing between the residual federal government and the newly assertive member republics.

This news brought into focus for me the real story of the summit: Mr. Gorbachev, for all that he is desperately trying to cadge aid and economic favors from the West, is not waiting for foreign help to plunge ahead and make the changes that will reform Soviet society. The "basic responsibility for the fate of this country," he said on Wednesday, is Moscow's own.

Whether his struggle is well advised and is likely to succeed — all that is necessarily conjectural. But the energy and commitment he keeps pouring into the effort and the risks he is taking are staggering, especially when you look at the counterpart effort on the domestic front being waged by his summit partner, President Bush.

It is not simply that Mr. Bush does not share Mr. Gorbachev's view that what is at stake is nothing less than the "fate" of his country. Few Americans would define the American stakes in those ultimate apocalyptic terms. But if something less, something more diffuse and less galvanizing, is involved, the stakes are still overwhelmingly important: the quality of Americans' national life and individual lives, fidelity to the founding ideals. Precisely here is where the Gorbachev-Bush contrast is so sharp.

Mr. Bush, a devoted pro when he sits down at the foreign policy keyboard, often conveys indifference and boredom at the domestic console. Sometimes he seems dizzied by the success of the values of freedom in the world, as though ideological triumph on a global scale — a condition he inherited on taking office — had relieved him of a requirement to do everything within his power to build a good society.

In Moscow he seemed oblivious to a pervasive irony: The president of a country with ominous economic and social cares of its own, a country having great difficulty making its way in the international economy, he cited as a major summit achievement his agreement to work with Mr. Gorbachev on "furthering economic reform in the U.S.S.R. and seeking to integrate the Soviet economy into the international system."

This is evidently to be a large part of the post-Cold War agenda. Mr. Bush, said an obviously pleased Mr. Gorbachev, "showed great interest in the events taking place in our country, our domestic processes." Well, yes, we all have a fascination with the currents stirring the Soviet Union. But it is jarring to find Mr. Bush indulging a preoccupation with somebody else's "domestic processes" without there being at the same time any hint of a matching preoccupation with his own.

It is not isolationist to favor some greater balance in this picture. It is Mr. Bush who risks feeding isolationist tendencies by his imbalance.

He seems to have no strong domestic policy in which he deeply believes; he has mainly a foreign policy, which is in many aspects sensible and sound but which he overplays. Mr. Gorbachev has not much of a foreign policy at all in the hyperactive, initiative-taking, influence-wielding American sense, but he does have an intense concentration on "the fate of this country." I find his focus appropriate and even enviable.

That Mr. Bush heads a party of divergent views, and faces a legislature controlled by the opposition, is sometimes given as an explanation of why he finds foreign affairs a greener pasture for his personal commitment. But even a brief look at the political situation of Mr. Gorbachev, a leader far more harshly assailed but who leads, makes plain that this is a weak alibi.

For whatever reason, Mr. Bush has his priorities upside down. He has succumbed to a temptation to give first call on his time, skill and seriousness to an area of his responsibilities which at this auspicious passage of history deserves only second call.

It is the nation's bad luck that the United States does not currently have a strong, cohesive opposition party that would not just challenge the president on this ground but also insist that the full and formidable powers of the American presidency be trained on the country's greatest needs.

The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1891: Settling Liberia

NEW YORK — A movement for the deportation of the negroes of the Southern States to Liberia is on foot at Washington, the promoters being Captain John Murray, Mr. W. B. Lewis, representing Elder, Dempster & Co., of Liverpool, and Mr. Benjamin Gaston, agent of the Liberian Emigration Company. A large sum of money has already been raised for the purpose, and it is probable the first contingent of emigrants will start in two months. According to Captain Murray, President Cheeseman of Liberia sanctions the scheme, and efforts will be made to get appropriation money from the U.S. Congress.

1916: Germany Closed

LONDON — According to despatches from Washington, the State Department has been informed by the American Ambassador in Berlin that, in accordance with a decision of the German Government, nobody will be allowed to enter or leave Germany from to-day [Aug. 1]. No exceptions will be made save in cases of absolute necessity. A Stockholm despatch states that, until further notice, no persons, even German, will be allowed to travel from Germany to the Scandinavian countries, or vice versa.

1941: Singapore at Risk

LONDON — [From our New York edition:] Japan has asked Thailand (Siam) for the use of naval, military, and air bases in that country and for a virtual trade monopoly, reliable informants here said today [Aug. 1]. At the same time it was reported that large British air reinforcements had arrived in British Burma near the border of Thailand. A Japanese move into Thailand, following the Vichy-Tokio agreement which has given to Japan military control of French Indo-China, would result in an extremely grave situation, since it would constitute a further long step toward Singapore by Japanese armed forces.

OPINION

Global Scale Sets the Scene For Crooks and Con Men

By Edwin M. Yoder Jr.

WASHINGTON — In the Bank of Credit & Commerce International scandal, as in other scams of our age of go-go finance (including the savings and loan debacle), it would appear that regulators everywhere took their sweet time detecting the pollution. As usual there is in BCCI's exposure and indictment as a criminal enterprise the sound of barn doors resolutely slammed behind long-escaped horses.

The huge international banking operation was founded in Pakistan, chartered in Luxembourg and the Cayman Islands, and headquartered in the City of London. At the moment, BCCI stands accused of: defrauding its depositors of vast amounts, some say as much as $10 billion; acting as an intermediary in shady arms and drug dealings; providing hiding places for funds skimmed or stolen from national treasuries by the likes of Manuel Antonio Noriega, the Marcoses and Saddam Hussein; banking for terrorist groups; and, not least, "secretly" and illegally acquiring control of no fewer than three U.S. banks, including First American Bankshares of Washington. (Apart from all this, it may be a pretty honest outfit.)

We have arrived at the ultimate in what Justice Louis Brandeis called 'the curse of bigness.'

If this is, as New York District Attorney Robert Morgenthau called it, "the largest bank fraud in world history," why were watchdogs like the Federal Reserve Board and the Bank of England, as well as other regulators on practically every continent, so slow to detect the fraud and move against it?

We know what the Hollywood or Costa-Gavras answer would be. In the movie version, BCCI's striking immunity to detection over many years of shady dealing would be neatly explained by the Universal Conspiracy. The most trusted of the watchdogs — say, the chairman of the Fed, or the head of the Bank of England — would turn out to be the supreme manipulator of the cover-up, the spider at the center of the vast web of scheming and corruption.

He or she would make a closing speech full of disgusting cynicism, and movie audiences would lap it up. The precedents go back at least to Graham Greene's "The Third Man," with the despicable Harry Lime sacrificing the health of children to his greed.

There is an inclination to think that such scandals grow of themselves, unconnected to the world of legitimate government and enterprise.

And indeed, as the BCCI story begins to be told, there are theories here and there that the delay is explained by the complicity of governments and their intelligence agencies; that BCCI was not exposed because it was useful.

Possibly. It is certainly true, however, that the way even righteous governments like that of the United States do their shady business — such as marketing arms to irresponsible dictators — calls precisely such shady institutions as BCCI, and such entrepreneurs as its original founders and investors, into being. They thrive, in large part, on the crumbs from secretive enterprises like Iran-contra; and as long as such enterprises continue, so will the incentive for sharpsters.

But there is room for an even more interesting theory. International finance, like arbitrage in currencies and securities, has become so completely wired together around the world, and so electronically sophisticated, that the advantages open to crooks outweigh the resources of monitors and regulators.

In the old detective fiction, it was always easier to conceal something than to find it out, so it was taken for granted that the culprits would have a head start. But then the mighty brain of a Maigret, a Father Brown, a Sherlock Holmes would be deployed. By dint of intellect and deductive powers, the great detective would penetrate the criminal scheming by penetrating the criminal mind, and the villains would be swiftly brought to justice.

We like to think it still works that way, even in bank fraud, but that presupposes an innocent and rudimentary pre-computer, pre-digital world in which money really was money (not electronic signals), most banks were local or national, and international transactions were difficult and unusual.

The BCCI scandal proclaims, among other things, that we have arrived at the ultimate in what Justice Louis Brandeis called "the curse of bigness," a situation in which global scale becomes a factor working in favor of the fraudulent.

The opportunities open now to crooks and con men because of international financial interdependence, and because of the maze of differing laws, are such that fraud can occur wherever there is the will to work it. And the regulators seem no more prepared to cope with sleaze on this global scale than the Washington of President Calvin Coolidge was to cope with the stock trading casino of the 1920s. That is the real news in the BCCI scam.

Washington Post Writers Group.

LETTERS TO THE EDITOR

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

Kuwait Is Free, Saddam Remains, the Fires Still Burn

Regarding "The Mistake Was Leaving Beaten Saddam in Power" (Opinion, July 13) by A. M. Rosenthal:

The main objective of the Gulf war was to liberate Kuwait. Secondary to this was the destruction of Iraq's war machine. Should Saddam Hussein fall from power during the campaign all the better, but that was never an official goal.

It must be remembered that the coalition had decided from the start that it was not going to get involved in the internal affairs of Iraq. It was that very decision that held together the Arab alliance against Iraq.

As to Mr. Rosenthal's point that America was slow to react to the slaughter of the Iraqi rebels, Washington could not legitimately get involved in a civil war. It could aid refugees but not combatants.

Perhaps some Americans would rather have seen a Hollywood ending, where the conquering hero chops off the defeated leader's head and subjugates the vanquished. Thank God that isn't George Bush's style.

PETER B. MARTIN.
Montcoq, France.

From Tom Wicker's article "No Escaping Those Fires in Kuwait" *(Opinion, July 30)*, readers should conclude that when Saddam Hussein is eventually tried as a war criminal, one of the major charges should be high crimes against the environment.

As it happens, there is a prophesy of Isaiah (34:9-10), written more than 2,600 years ago, in which it was said of Bosrah and Edom (the desert of Arabia): "And the streams thereof shall be turned into pitch, and the dust thereof into brimstone, and the land thereof shall become burning pitch. It shall not be quenched night nor day; the smoke thereof shall go up for ever: from generation to generation it shall lie waste; none shall pass through it for ever and ever."

DAVID LITTMAN.
Geneva.

Iraq may have invaded Kuwait, but it is the United States that involved itself in what clearly was an Arab problem and chose war over a realistic diplomatic course. Any country under attack by the most modern and powerful nations and subjected to weeks of the most barbaric bombing in history would not only pour oil into the sea in self-defense but would, understandably, use every other weapon in its possession.

B. M. SHAREF.
Tripoli.

The Sanctions Worked

In response to "South African Sanctions Scarcely Helped" (Opinion, July 23) by Thomas W. Hazlett:

Mr. Hazlett asserts that "the longest-lasting damage from sanctions may have been the loss of American influence" in South Africa. He does not acknowledge the responsibility of the United States and other Western countries for conducting normal economic relations with South Africa for decades. Without this Western involvement, apartheid could not have lasted for such a long time.

Without sanctions, the white minority government would never have repealed apartheid laws. Nelson Mandela and many other political prisoners would never have been freed. The sanctions were an expression of America's conscience. Had it imposed them sooner, its influence now would be greater.

IWAKAWA YASUHISA.
Chiba, Japan.

A U.S. Industrial Policy?

It would be foolhardy to create a government agency to promote civilian technology. Already the monopolistic practices of the military-industrial complex have stifled American ingenuity and the evolution of technological excellence. Until this corrupting influence is eliminated so that the free enterprise system can once again function, America's competitiveness will continue to diminish.

CHALMERS H. GOODLIN.
Coral Gables, Florida.

About Swedish Inventions

William Pfaff, in "Sweden: An Old Model Without a Map for the '90s" *(Opinion, July 18)*, points out that Swedish industrial products — steels, tools, bearings and arms — could go on being produced and sold during World War II. Indeed, when the U.S. 8th Air Force launched a huge bombing raid in October 1943 against the German ball bearing industry at Schweinfurt, the Nazis soon realized that the gaps in production caused by the destruction could be covered through Swedish imports.

ESKIL SVANE.
Montpellier, France.

Even Familiar Grown-Ups Make Mistakes Sometimes

By Anna Quindlen

NEW YORK — The news that Barbie had been caught shoplifting sent shock waves through the world of little girls.

"Why did she do it?" said one. "Barbie had everything. She had jumpsuits, business suits and an astronaut uniform with a lavender helmet. She had a Corvette, a beach cottage and Ken."

Quickly I riffled through the newspapers, where there was a sidebar to the main arrest story by a child psychologist: "Barbie's Booboo — What to Tell Your Children." It said that petty theft often masked deeper problems and was a cry for help.

"It was a cry for help," I said. "A manifestation of some need, perhaps unmet in childhood, for affection and a feeling of belonging."

I thought of Barbie, with her impassive feline face and one-and-a-quarter-inch waist. I wasn't buying it. I explained that it might have been a mistake, that Barbie might have slipped those panty hose into her Sun-N-Fun tote bag intending to pay for them, and then had just forgotten.

It occurred to me that Barbie might have been set up by foreign toy manufacturers who wanted to flood the market with cheap imitations, dolls named Ashley or Melissa with lounge singer wardrobes and boyfriends named Rick.

Like so many parents, I had learned my lesson from the Pee-wee Herman debacle of 1991. Over the years, the people in children's television have usually fallen into one of three categories: father (Captain Kangaroo, Jim Henson), puppet (Big Bird, Lamb Chop), or animated (Daffy Duck et al.). Despite the suggestion by the Reverend Donald Wildmon some years back that Mighty Mouse appeared to be snorting cocaine in a cartoon, these characters rarely get in trouble with the law.

But Pee-wee Herman was none of these. Suddenly that summer there were stories everywhere telling parents how to explain to children that the weird little guy in a bow tie and lipstick who appeared on Saturday morning TV with a talking chair and a pet pterodactyl had wound up in the clink, charged with exposing himself in a triple X movie theater.

At 7 one morning, looking at the tabloids, I knew that before my first cup of coffee I was going to have to face two small boys and explain the difference between cartoon characters and real life, a difference I was a little fuzzy on myself, having lived through the Reagan years. So I did what anyone would do in the circumstances: I hid the papers.

"If they don't get their questions answered by their parents, where will they?" one child psychologist said to a wire service reporter.

Simple: They'll get their questions answered on street corners and in the back of the bus to day camp.

After archery, I did explain the difference between characters and the actors who play them, the difference between being arrested and being convicted, the difference between private and public behavior, as well as the rules for keeping your pants on, which I can assure you we've been over a hundred times.

I explained that even grown-ups make mistakes and that despite published reports, what the actor who played Pee-wee was accused of doing was in no way comparable to mass murder, although in his mug shot he did look like a member of the Manson family. This made it easier for the kids to separate television and reality, although for a long time afterward they kept asking who played Peter Jennings on the evening news.

Pee-wee, of course, was history. This is a very unforgiving country, particularly after you've been famous enough to be made into a doll and sold at Toys 'R' Us.

So when the Barbie story broke big, it occurred to me that I might be witnessing the twilight of a career. I was not sorry. I had never wanted American girls to have a role model whose feet were perpetually frozen in the high heel position.

Well, as you know, that's not the way it turned out. The next day Barbie's agent started spin control, and before you could say "dream house" there was Sad-N-Sorry Community Service Barbie, with the navy blue shift and the open letter about how even dolls make mistakes. Little girls read it in the toy aisles and their eyes filled.

"It wasn't a cry for help," I said. "It was a public relations stunt." But by that time the little girls I knew had gotten Community Service Barbie from their grandmothers, and they didn't care.

The New York Times.

MEANWHILE

Grave Public Threat

PAUL Reubens is living out every man's and every boy's worst nightmare. He is alleged to have been seen touching himself. There were no witnesses to the event other than one of the undercover officers assigned to stake out the movie house. Masturbation is apparently such a grave public threat in Sarasota that the sheriff's office assigned not one but three detectives to infiltrate the place and watch for flapping elbows.

— Joel Achenbach, commenting in The Washington Post.

THE Philadelphia Zoo, like the Disney-MGM Studios, has decided to stop showing a two-minute Pee-wee video. This one played at the Children's Zoo, where Mr. Reubens hosted a short on metamorphosis that co-starred a caterpillar and a butterfly.

— The Washington Post.

GENERAL NEWS

Gain Cited in Talks On Boat Refugees

By Michael Richardson
International Herald Tribune

SINGAPORE — Vietnam and Britain are making good progress in talks aimed at ending an exodus of people from Vietnam in small boats to Hong Kong and elsewhere in Southeast Asia, totaling more than a million since 1975, Hong Kong officials said Thursday.

A recent decision by the United States to tone down its opposition to forcible repatriation of the so-called boat people and quietly support the talks between Vietnam and Britain has substantially increased chances of an agreement, they said.

Such an accord would establish centers in Vietnam, under international management, to receive Vietnamese returning from camps in Hong Kong and Southeast Asia.

Although most of the boat people who have left Vietnam illegally since 1975 have been resettled in the United States, Canada, Australia and other countries, almost 116,000 remain in camps, more than half of them in Hong Kong.

Most of those in the camps have been found to be economic migrants seeking to escape poverty in Vietnam, not genuine refugees with valid fear of persecution.

Officials in the region are adamant that all nonrefugees will have to return to Vietnam. But the pace of voluntary repatriation has been slow, partly because of reported fear of reprisal in Vietnam.

In a telephone interview, Clinton Leeks, the Hong Kong refugee coordinator, said that British and Vietnamese officials had held six rounds of negotiations in Geneva since June on the proposal to set up internationally managed centers in Vietnam. A seventh round will be held early next week.

Senior staff members from the office of the United Nations High Commissioner for Refugees and the International Organization for Migration are involved in the talks.

"I think it is fair to say that pretty good progress is being made," Mr. Leeks said.

The International Organization for Migration acts as an agent for transferring people under resettlement plans and would probably run the new centers in Vietnam.

Although the United States supports voluntary repatriation of nonrefugees, it has objected to their forcible return to Vietnam.

In December 1989, the Hong Kong government sent 51 boat people to Hanoi by plane, against their will. The action raised a storm of condemnation from the United States and others. Hong Kong has not repeated the exercise despite some threats to do so because of overcrowding in its camps.

In a separate interview Thursday, a U.S. State Department official said that Washington was holding to its stand against sending boat people back to Vietnam against their will, but was agreeable to the Geneva talks and "could live with" the proposal for holding centers in Vietnam.

The official, Jewel S. Lafontant-Mankarious, who is coordinator for refugee affairs, said that president George Bush was opposed to mandatory repatriation of boat people to Vietnam "in present conditions."

Ms. Lafontant-Mankarious said that she did not want to speculate whether the United States would oppose the forcible transfer of boat people from camps in Hong Kong and Southeast Asia to internationally managed centers in Vietnam.

But having such centers "might encourage people to go back voluntarily" because they would not be under Vietnamese control.

The United States would also want an assurance that boat people entering the new centers in Vietnam would not be harassed, could live in "dignity" and would leave for their homes they left only when they were ready to do so, Ms. Lafontant-Mankarious added.

Analysts said that United States support for the Geneva talks was important because Vietnam had previously been concerned it would be branded as a human rights violator by Washington if it accepted mandatory repatriation.

Hanoi wants to normalize relations with Washington to end a U.S.-led embargo denying Vietnam trade, aid, technology and loans.

Gulf War and Recession Leave Tourism Down but Not Out

By Barry James
International Herald Tribune

PARIS — On the first anniversary of the Iraqi invasion of Kuwait, tourism officials around the world admit that the Gulf war has knocked the bottom out of their business so far this year, but they are confident that the setback will not last long.

Quoting Dickens, Geoffrey H. Lipman, president of the World Travel and Tourism Council, told travel industry executives in Washington recently that these are "the best of times and the worst of times."

On the one hand, travel has been badly affected by what he called "the triple whammy" of war, recession and fuel price hikes. On the other hand, just about every serious study on the subject projects a steadily increasing demand for travel and leisure facilities throughout the 1990s in most parts of the world.

"In the long term, I do not consider there is any problem," said Gerard Pelisson, co-chairman of Accor SA, which owns 1,800 hotels, including the Novotel and Sofitel groups. "One thing which is clear is that tourism is very much linked with the general economic situation.

"The growth of the Western economy will not be maybe as strong as it has been in the past, but still there will be some growth, and personally I believe that tourism is growing faster than national economies," he said.

Mr. Pelisson said the luxury end of the market is hurting more than the economy end, a trend he believes will become permanent.

"In the lower categories, the expansion should be very strong," he said, although he added that mass-market package tours are becoming a thing of the past. "What we have to do is to find out how to satisfy relatively cheap tourism with relatively good offer in terms of services," he said.

Robert De Mone, president and chief executive officer of Canadian Pacific Hotels and Resorts, noted that the Japanese government was taking steps to limit the number of hours people spend at their jobs, and added: "This is a growing trend the world over. People are having more time and more money and more desire to experience what the world has to offer outside of their own backyard. And there are going to be more and more travel opportunities with the political barriers coming down virtually throughout the world."

Mr. De Mone said the tendency in the industry was toward increasing globalization. "I see a trend toward the big getting bigger and being increasingly driven by technology," he said.

The optimistic predictions do not disguise the fact that this year, some sectors of the industry are hurting badly.

As Mr. Pelisson noted, luxury hotels are having a hard time, in part because the Japanese have not renewed their prewar traveling patterns, in part because American visitors have been kept away by the recession and in part because hotels have sometimes been forced to discount prices.

But even the bottom end of the market is hurting. Inexpensive sea and sand holidays in Spain are down because of the recession in Britain, where tourist operators are having one of their worst years in recent memory.

Rome and Madrid are among several big cities that are relatively empty this year, but travel agents said this is simply because they have become too expensive.

The Association of European Airlines on Thursday reported that passenger traffic was down 11.2 percent in the first six months of this year compared with the same period in 1990.

Yet there are indications that the year as a whole might not be as bad as the industry was predicting only a few weeks ago. Although people have been putting off foreign trips, they have been doing more traveling closer to home. The French tourism minister, Jean-Michel Baylet, said indications are that this year will be as good as 1990.

"It is not going to be a wonderful year," said George L. Hern, head of public relations for the French government tourist office in New York. "But spring was good and we think that fall and early winter will be very good."

According to Elizabeth Carroll Simon of the European Travel Commission in Paris, overall travel from the United States to Europe may be 15 percent to 20 percent below the 7.53 million people who visited in 1990. This would mean a return to about the level of 1989, hardly a disaster.

In fact, some industry executives say the slump may be a good thing if it succeeds in alerting governments to the essential role played by tourism in national economies.

KUWAIT: *A Year Later, Trauma and Dashed Hopes*

(Continued from Page 1)

abolished. But nothing has changed. It has been a big disappointment."

An estimated 2,000 Kuwaitis and Kuwaiti residents are still missing, many taken by Iraqi secret police and never heard from again. Iraqi authorities have denied knowing of their whereabouts.

"People are sad and frustrated," said Ghanim Najjar, a political science professor who runs the Kuwaiti Association to Defend War Victims, the country's only human rights organization. "They have not recovered from the trauma of occupation. They are still afraid and uneasy. Many, who had high expectations of change, are now disillusioned. Too many things remain unresolved."

Kuwait officials, and especially the reclusive emir, Sheikh Jaber al Ahmad as Sabah, are largely absent. The emir, 63, who waited 15 days before returning to his country after it was liberated, spends his time in the Bayan Palace, an edifice that is built largely of Carrara marble, down to the trash cans. He has left the running of the country to Sheikh Saad al Abdullah as Salim as Sabah, who is the crown prince and prime minister.

The government, which comprises most of the same men who held power at the time of the Iraqi invasion, plans to hold legislative elections in 1992 — at least for the 65,000 Kuwaiti men eligible to vote. It has promised to restore the suspended articles of the 1962 constitution and hinted that women might be given the right to vote. But all other political and social changes remain vague.

Censorship, which obscured the Iraqi threat before the invasion, remains in place. The government-controlled newspaper, The New Dawn, is so obtuse that Kuwaitis refer to it as "The New Dark."

The opposition, however, is fragmented and often at odds. It is divided into groups of merchants, Islamic fundamentalists, Shiites and secularists who are united only by their demand to reconvene the National Assembly, which was shut down in 1986.

But even the government's harshest critics agree that the royal family, which has ruled Kuwait for more than 200 years, should play a part in governing the country. Most opposition leaders envision a "constitutional emirchy," in which the emir would preside over an elected government of commoners.

For all the lethargy and confusion, the state has reimposed order after the chaotic and often violent period that immediately followed the liberation.

The security forces have ended the random vigilante violence that plagued the country. Martial law has been lifted, human rights abuses against Palestinians and Iraqis curtailed and the military courts, which prosecuted suspected collaborators on what often seemed like thin evidence, have been abolished.

The ruling Sabah family, however, has failed to regain the confidence it lost when its members, the government and Kuwaiti soldiers fled to Saudi Arabia just in front of the advancing Iraqi troops, according to many Kuwaitis.

"No one has faith in the government or the army," said Ahmed Othman, 29, a stockbroker who was active in the resistance movement. "They mismanaged the country at the time of the invasion and they are mismanaging it now. It is as if they have learned nothing from all this."

Many Kuwaitis seem to feel another attack by Iraq is simply a matter of time. Few have turned over the weapons they collected when the Iraqis left, despite repeated demands to do so by the police.

The Iraqis, proving that even the most iron-fisted regimes can have a sense of humor, recently broadcast on state-run television the addresses of those pharmacies that are open 24 hours a day in the country's "occupied 19th province."

Few Kuwaitis were amused.

ISRAEL: *Conditional 'Yes'*

(Continued from Page 1)

born in Jerusalem, and that the parties leave open the possibility that Jerusalem Arabs could be represented in the final stages of negotiations in the future.

A senior Israeli government source said that Mr. Shamir was willing to consider the proposals but that the issue "still remains to be resolved." Mr. Shamir said in the television interview that no substantive discussions had been held Thursday on the issue "because there was no need to."

A senior U.S. official said that Mr. Baker had formalized Israel's agreement to drop earlier procedural objections to the conference, which Mr. Shamir had cited in a letter to Mr. Bush in June.

Mr. Shamir's shift in position was prompted by the announcement from President Hafez Assad of Syria that he would agree to come to the peace conference. All of Israel's Arab neighbors have also announced their acceptance.

Israeli officials had hoped to finalize with Mr. Baker a memorandum outlining U.S. assurances to Israel on a peace process that Mr. Baker would sign on this visit. But the matter was deferred by Mr. Baker to future discussions in Washington between U.S. and Israeli officials.

U.S. officials also said that the peace conference would probably involve foreign ministers, rather than heads of state.

The location for the talks has not been set. U.S. and Israeli officials would like it to be in Washington.

FIDELITY: *Feud Goes Public*

(Continued from Page 1)

said to have 10 or more extramarital companions.

Perhaps as an indication that the status of the "other woman" is different here — and higher — than in other nations, there is no word in general use in the Thai language for mistress. Instead, the lawful wife is called the *mia luang*, or big wife, while a mistress is called the *mia noi*, or small wife.

In Thai custom, the children of a mistress do not bear anything like the social stigma they would face in the Western world — they are not considered illegitimate — and can take their father's family name and share in his inheritance.

What is usually required in these relationships, and what has been entirely lacking in the romantic triangle involving General Sunthorn, is a sense of decorum.

The mia noi in this case is a well-educated and successful 39-year-old Bangkok businesswoman, Ampapan Kongsompong, née Ampapan Arumuang, nicknamed the "nightingale" in Bangkok gossip columns.

For more than a year, Mrs. Ampapan, who is divorced, has been General Sunthorn's constant companion. According to the Bangkok papers, the pair traveled together to the Paris air show in June.

It seems that Mrs. Ampapan fired the first shot in the battle with the general's 57-year-old legal wife, Colonel Orachorn Kongsompong.

In a magazine interview several months ago, Mrs. Ampapan offered details of her affair with the general, reporting that "when I first saw him I felt faint from head to toe."

"I felt bound to be with him, like we met somewhere before, like we used to live together before," she said. Mrs. Ampapan said that she began using the general's family name with his permission, and that the general's mother agreed to the arrangement by adopting her as a foster child.

Humiliated by the interview, Mrs. Orachorn struck back, filing a lawsuit asserting that Mrs. Ampapan had misappropriated the Kongsompong name, damaging the family's reputation and jeopardizing its honor.

"What I have done is for the sake of my children," she said at her extraordinary news conference. Mrs. Orachorn, who has been married to the general since 1959, said that all she wanted from the lawsuit was the exclusive right to the family name.

Thai journalists have reveled in speculation over whether the scandal would, or should, force General Sunthorn to resign before his scheduled retirement in the fall.

"It's a fantastic story, something that jumps onto Page 1," said Sunthichai Yoon, editor of the Nation, an English-language newspaper in Bangkok. "I think the public has no sympathy for either woman."

Stones Aimed At Baker's Car

Reuters

JERUSALEM — Two Jewish teenagers were arrested Thursday and accused of having tried to stone the motorcade of Secretary of State James A. Baker 3d, who was in Israel to seek support for peace talks with Arabs.

The police said the boys, age 14, were members of the late Rabbi Meir Kahane's Kach movement, which campaigns to expel Arabs living under Israeli rule.

Israeli television said the stones missed the motorcade.

Jewish Graves Desecrated

Agence France-Presse

ZITTAU, Germany — Thirty-seven graves have been found desecrated in a Jewish cemetery in Zittau, southeastern Germany, the police said.

EUROPEAN TOPICS

Frederick's Remains Evoke German Angst

The reburial of Frederick the Great at his palace in the eastern German city of Potsdam on Aug. 17 has become a controversial issue in Germany, with critics warning the government that pomp and military display could create wrong impressions abroad.

King Frederick II, who made Prussia a military power, was interred in Potsdam's Garnisonskirche at his death in 1786. His remains were later taken to a Hohenzollern family castle in southern Germany. When Germany was reunited last year, the current head of the family, Prince Louis Ferdinand, 83, decided to fulfill his ancestor's wish to be buried at his rococo palace, Sanssouci.

But several German politicians and intellectuals object to the fact that Chancellor Helmut Kohl and an honor guard of eight soldiers will attend the reburial of Frederick and his father, Frederick William I.

The historian Golo Mann said the presence of Mr. Kohl and a military guard could cause worry abroad that "the wretched Prussian tradition of militarism is being moved back into the foreground." Günther Müller of the Christian Social Union, which is part of the government coalition, said Frederick had been a "warlord contemptuous of human beings" and urged Mr. Kohl to cancel his plans.

"There can't be a second Bitburg," said Björn Engholm, the opposition Social Democratic leader, referring to the 1985 controversy over a visit by Mr. Kohl and President Ronald Reagan to a cemetery in the town of Bitburg where some Nazi SS men are buried.

Around Europe

Harrods of London is up in arms against Harrods of Benidorm. The London department store says it is taking legal steps against the disco on the Spanish Mediterranean coast that is a favorite with vacationing Britons, The Times of London reports. The nightclub, set up between high-rise hotels geared to tourists on package holidays, has not only taken Harrods's name, but also the green-and-gold logo. "The folk who come here aren't la-di-la but they have more fun," said Paul Rudd, a "doorman" at Benidorm's Harrods. "It's really jumping at three in the morning and you couldn't say that about the other place."

A restaurant near the Swedish parliament in Stockholm has banned politicians to protest taxes on employer-subsidized lunches. "Members of parliament are not welcome," says a sign at the entrance of the Rosenbrun restaurant. "You forced 1.2 million people to eat from lunch boxes. You should live by your example." The owner, Freddie Wieselgren, said business had flagged since the beginning of the year, when the government imposed a tax on the luncheon vouchers that workers can buy at a discount from their employers.

Sytske Looijen

Croatian Leader Drops Defense Chief

Compiled by Our Staff From Dispatches

ZAGREB, Yugoslavia — President Franjo Tudjman of Croatia dismissed Sime Djodan, his hard-line defense minister, on Thursday and proposed a unity government to confront armed Serbs and Yugoslav Army troops.

He said in parliament that Croatian forces, short of weapons, were too weak to fight an all-out war in support of independence and urged civilians to form self-defense units.

"We must continue preparations for an all-out war in case it cannot be averted," he warned.

On Wednesday, Croatian forces suffered their gravest defeat yet, losing Kostajnica, a town 100 kilometers (60 miles) south of Zagreb.

Increasingly demoralized Croatian forces and civilians were forced to abandon the town after several days of attack by Serbian irregulars and strafing by jets.

In a 90-minute speech, broadcast by television, Mr. Tudjman sought to justify the government's military strategy, increasingly criticized since the republic declared independence from Yugoslavia June 25.

The declaration touched off fighting between Croatian security forces and well-armed guerrillas fighting on behalf of the 600,000-strong Serbian minority in the republic. More than 100 people have been killed.

In the latest incident, the Croatian radio said, four persons were killed and at least 17 injured Thursday in clashes at Dalj, a Croatian village on the Serbian border.

Shelling by Yugoslav Army tanks evidently supporting Serbian guerrillas destroyed a police station, the report added.

President Tudjman, who has suggested local rule for Serbian minority areas, proposed bringing opposition members, including two Serbs, into a new government of national unity.

After his dismissal as defense minister, Mr. Djodan, a leading member of Mr. Tudjman's ruling Croatian Democratic Union, attacked the idea of a coalition government and threatened to oppose the new administration.

Mr. Tudjman said he would ask parliament to approve two moderate opposition figures to key posts — Luka Bebic as defense minister and Ivan Vekic as interior minister.

The eight-member Yugoslav federal presidency met until early Thursday to discuss the crisis. The news agency Tanjug said the members had agreed on new proposals for a cease-fire in Croatia.

The republics have been given until Friday, when the presidency will meet again, to study the plan. The details were not disclosed.

Mr. Tudjman, criticized at home for continuing peace talks that have yielded no result, has accused leaders of Serbia, the biggest of the six Yugoslav republics, of "preparing for total war."

He said Croatia would fight if necessary, but he made it clear that he thought its inexperienced police and national guard forces would be no match for the guerrillas and the federal army, most of whose officers are Serbs.

"Why haven't we ordered a total mobilization?" Mr. Tudjman asked. "Simply because we do not have the arms and the military equipment for such a move."

Croatia's ability to arm itself has been crippled by an international arms embargo on all the Yugoslav republics. "This is why we could not accept a full frontal war," Mr. Tudjman said. "We should not serve unarmed Croats up on a plate to become needless victims."

A new mobilization of reservists, which parliament is considering, would only apply to men for whom there are weapons, he said.

Mr. Tudjman accused leaders of the Serbian Republic of directing a guerrilla campaign to take control of areas of Croatia inhabited by ethnic Serbs.

"The aim of Serbian politics is to add some parts of Croatia to Serbia, those parts where the Serbian population lives," he said. "Serbia intends to take under the protection of the Yugoslav Army all these territories which they imagine to be part of Greater Serbia."

Mr. Tudjman asserted that parts of the army were helping the guerrillas, although the generals in the federal capital, Belgrade, still said he wanted a political solution.

"If the army sides openly with Serbian expansionism our forces would have to confront them," he said, adding, however, that the Croats would not give the army excuses to intervene. *(Reuters, AP)*

Genscher Douses Idea of EC Force For Yugoslavia

Reuters

BONN — Foreign Minister Hans-Dietrich Genscher of Germany on Thursday dismissed suggestions that the European Community send an armed peacekeeping force to Yugoslavia.

"There are no such forces within the European Community, and deploying them would require the approval of all parties in Yugoslavia," he said in a radio interview.

Mr. Genscher was commenting on a proposal by Volker Rühe, general secretary of Chancellor Helmut Kohl's Christian Democrats, that the EC should consider setting up a peacekeeping force.

Senior EC diplomats arrived in Belgrade on Thursday to try to broker a cease-fire in the rebel republic of Croatia, which along with Slovenia declared independence from Yugoslavia on June 25.

Mr. Genscher said he did not share the widely held view that the EC was proving helpless in the face of the Yugoslav crisis, noting that Moscow and Washington had expressed support for its efforts to mediate.

REAL ESTATE MARKETPLACE

REAL ESTATE INVESTMENTS

WANTED INVESTORS & agents. We own over 400 prime parcels of land in LA County, CA available for sale with financing. High appreciation potential. Jon Kaufman, VP BC Group 415/364-3330 or Fax 415 364-0720 USA.

REAL ESTATE REPRESENTATION

REALTORS & DEVELOPERS I. If you want to be represented in German speaking Europe & Czechoslovakia/Hungary on flexible part-time basis by German colleague. Please refer to: Dr. Mark Fritz, Waldmeistergasse 48, A-1140 Vienna, Austria.

REAL ESTATE FOR SALE

BELGIUM

FOR SALE BELGIUM BRUSSELS
700 sq.m. prestigious residence in most exclusive private square "Square du Bois" with round the clock police guard.
Price BFr 60 million
For details call: UNIVESTORS S.A.
Tel 32 2 672.96.45
Fax 32 2 672 35 79

CANADA

MONTREAL, CANADA
20 minutes from Downtown Montreal, on the St Lawrence River. Perfect place for boat, private home on 22,500 sq.ft. lot, 3 bedrooms plus livingroom, diningroom etc. (14 rooms in total). Price Cdn $750,000.
Fax 514-282-6773
Tel 514-282-6255

CANADA
Mont Tremblant. Ski Resort Area. 330 Ha. (800 acres) with two private lakes, financing available. Phil Dalbec Fax 819-425-8854

CARIBBEAN

CAYMAN ISLANDS
Magnificent 2.5 acre Oceanfront Estate on private peninsula. 7000 s.f. luxury home with pool, tennis court, docking facilities and sunset gazebo surrounded by lush tropical gardens.
Also - Waterfront lots Starting from $155,000.
Invest now in a tax-free haven!
R.C. Bodden Realty
PO Box 1347 GT Grand Cayman
Tel (809) 949-5544 Fax (809) 949-8701.

CARIBBEAN MANSION - St. Croix USVI. Spectacular 4 beds 4 baths pool 2 cottages 8 lush acres $595K Fax D. Fredrick (809) 773-8999.

REAL ESTATE FOR SALE

CZECHOSLOVAKIA

PROPERTIES AND LAND FOR SALE. Send or phone for list: Agentura Kirke, Perlova 1, 11001 Prague 1, Czechoslovakia. Tel Prague 220701 or 269891.

FRENCH PROVINCES

CAP FERRAT
in a beautiful scenery, overlooking Pointe Saint Hospice and the Bay of Beaulieu, property over 1,700 sq.m. with mature park and a villa in need of renovation about 227 sq.m. which could be extended to 341 sq.m.
BEAULIEU IMMOBILIER
Port de Plaisance
06310 BEAULIEU SUR MER
Tel: 33-93013322 Fax: 33-93013355

SAVIGNAC DE DURAS. 75 km east of Bordeaux. 18th century large restored farm house. Fully furnished & equipped. Sleeps 8 to 12. 3 bathrooms. 30 foot filtered swimming pool. Landscaped gardens. Wine courtyard, terraces, garages. Central heating & open fireplaces. Telephone. Location: hills in the Lot et Garonne. £150,000. Annual letting £15,000. Tel: Chateau des Egrons 57 41 24 82 France or 071 791 1408 London.

VALLAURIS. Beautiful furnished apartment, 100 sq.m. living space, 2 bedrooms, living, dining, equipped kitchen, remarkable 16 sq.m. winter garden-terrace, parking, caretaker, swimming pool, tennis, cellar. Near Picasso's favorite workshop. All facilities within yards. 10 min from Nice Airport. 2 spectacular views on Alps and Cap d'Antibes. A bargain. Free now. $200,000. Owner: (33) 93 24 96 86.

LOIRE VALLEY CHATEAU romantic 19th century chateau, outbuildings, stables and gate house in good condition. 35 wooded acres on Cher River. Beautiful trees, large garden where Chopin lived. Chenonceaux vicinity, 15 kms from Tours. 54 mins. by T.G.V. from Paris. $950,000 U.S. Call Mr. Masson 212-593-7217 USA.

IN RENOVATED OLD Coaching Inn in the Alps (Vanoise) at Bramans (73), 4,100 ft., near skiing stations, 50 sq.m. in a split level flat, sitting room, 3 furnished bedrooms, all comforts, cellar. Fine balcony view on mountains. F280,000 (Plus 3% notary fees). Tel: Paris (1) 30 53 35 59, after 7pm.

ROYAN, 105 sq.m. apartment, newly redone, large living, American kitchen, 3 bedrooms, bathroom, shower room, storage room, large corridor, cloakroom, wc, 65 sq.m. terrace on 3 sides, panoramic sea view, garage, cellar. F1,500,000. Tel: provinces 46 05 86 77.

SUPER CANNES: One of the last lots for sale. 3,160 sq.m. in the most beautiful area of Cannes. Splendid view on the whole bay of Cannes. Permit obtained for an impressive villa of 308 sq.m. Price F12,000,000. ATJLE IMMOBILIER SARL 93 38 89 91

NORMANDY, 3 CHATEAU HOTELS. 45 mins apart. From F9.5M to F16M. Tel: Paris (33-1) 45491960. Fax (33-1) 45441751. Weekends Tel (33) 32442057

REAL ESTATE FOR SALE

FRENCH PROVINCES

FRANCE: MONTPELLIER - OWNER selling class villa, 280 sq.m. living space + annexes on 5,000 sq.m. land with swimming pool. Splendid view on countryside and sea. F4,000,000. Tel: France (33) 67 40 58 35.

COTE D'AZUR - NEAR VALBONNE, on splendid 6,100 sq.m. flat land with olive trees. Italian style villa, 250 sq.m. living space + 400 sq.m. annexes to be finished. F5,250,000. EUROP'IMMO, Tel (33) 92 98 49 70. Fax 92 98 49 95.

06: SUPER CANNES, Cote Vallouris, magnificent villa with sea view, exceptional, 2,150 sq.m. land, about 500 sq.m. living space, swimming pool. Price: Make an offer. EUROP'IMMO, Tel (33) 92 98 49 70. Fax 92 98 49 95.

SAINT MAXIME: "LES BASTIDONS de la Nartelle". 14 villas, 5 mins walk from sea. Price from DFL. 350,000 including all costs. Tel: Holland (+31) 5753 2003.

NEAR DIEPPE, ATTRACTIVE French Revolution Manor, 6 main rooms, 3,000 sq.m. garden. Peaceful. FF 550,000 J. E. NICOLAY, Tel: (33) provinces 35 50 17 10.

BURGUNDY. Half ownership 17th century barn conversion (4 beds, 2 baths). Near Pouilly-en-Auxois. £35,000. Call Parsons London 071 727 5167 or 0844 208937

GREAT BRITAIN

IN NEWCASTLE COUNTY DOWN
FOR SALE BY OWNER. 3,000 sq. ft. view home with 5 bedrooms, 2½ baths, central heat, 2 marble fireplaces, large kitchen with all appliances, lovely views of Irish Sea and Mountains of Mourne. Situated approximately 1 acre, including 7 stables, tack room, and large barn. Property in perfect condition with new carpets, Italian tile and freshly painted inside and out. Price U.K. 110,000 or dollar equivalent. Contact owner: Mr. H. Ward, P.O. Box 9098, La Jolla, CA 92038-9098 USA. Tel: (619) 454-7701; FAX: (619) 454-7752. Evenings (619) 459-0524 USA

LONDON'S MOST PRESTIGIOUS
location, Eaton Square, Belgravia. Well proportioned and spacious 1-bedroom apartment. Ideal pied à terre. Both apartment and building immaculate and recently decorated. Third floor (with elevator), long lease (45 years). £295,000. Tel: weekdays (0) 71 235 9005 or Saturday & Sunday (0) 451 850 684.

DARTMOOR DEVON ENGLAND Georgian Farm House fully renovated in 15 acres of stunning views. 7 beds, 4 receptions. Outbuildings including stables, manege, coachhouse, thatch cottage, greenhouse. Fax/tel: LUSTLEIGH (6477) 336 (UK)

REAL ESTATE FOR SALE

GREAT BRITAIN

MAGNIFICENT HISTORIC HOUSE AND ESTATE (153 ha. Freehold) 50 miles from London. Dating from 12th century. Substantial, well maintained accommodation, suitable for residential, office, leisure, hotel, resort uses. Only principles should apply. For details: Dianne Biederberg, Contact Europe, Holland Tel: +31.20.6847777. Fax 6881374

NORTH LONDON. New Ambassadorial 5,000 sq.ft. house for sale. Green belt yet adjacent every transport system including helipad. Long drive/garage/parking. Leisure, office, security etc. Please reply to Box 3322, I.H.T., 63 Long Acre, London WC2E 9JH.

LONDON WEST KENSINGTON W14. Near Queens Club. Large Victorian house. On 3 floors plus basement. Top floor studio 18ftx30ft. Pale oak & marble floors. Garden/parking. £265,000. Tel: 71 385 1907/0138.

MARBLE ARCH, London. Splendid air conditioned 2-bedroom apartment. Fully furnished. Sale by owner. Fax +44 344 27130.

BATTERSEA PARK. Very convenient 2-bed flat with garage. Easy walking distance to Sloane Square & South Ken. £100,000. Tel: 71 491 6631.

GREECE

THE GREEK ISLANDS
Among our properties for sale
Skiathos - Outstanding seaside family estate with sandy beach. 10+ bedrooms, all deluxe facilities.
Spetses - New 4-bedroom villa in best "Old Harbour" location, large garden with direct access to sea.
Hydra - Luxurious residence with swimming pool and garden overlooking the main port.
Kea - Charming windmill house offered fully furnished in "Island style"
For further details
SOTHEBY'S
INTERNATIONAL REALTY
34-35 New Bond St., London W1A 2AA
Tel: (44) 71 408-5196 Fax 71 408-1358
Local Agent Ploumis-Sotiropoulos R.E., 6 Panepistimiou, Athens 106 71.
Tel: (3) 1 360-9102 Fax (3) 1 363-8005

ARMACO SA GREECE'S Largest Real Estate Office. Prime investment properties, Land, Villas, Shopping Centers, Warehouses, Hotels, Holiday Homes, Private Islands. Relocation assistance. Tel: 301-8944873. Fax 301-8941391. 4 Athinon Str, 16675 Glyfada, Greece. OFFER: Brand new penthouse, 135 sq.m., 3 bedrooms, 2 baths, panoramic view overlooking the Saronic Gulf, 15 km from Athens, Glyfada suburb. Only US$275,000.

REAL ESTATE FOR SALE

GREECE

AFISSOS, PELION near town of Volos. Beautiful, 2-floor, duplex villas near beach, with magnificent view. About 100 sq.m. 2 bedroom, 2 bath, large living/dining room with fireplace. Balcony, patio, store-room, parking. Contact Adamantiades or Papalopoulos Tel:30-421-28334/30-423-33248.

CORFU PROPERTIES. On the island of Corfou, the best available houses, apartments, plots of land, hotels, businesses. Tel: 661 24961.

ITALY

TUSCANY
35 km from the coast, 4 km from well-known spa, antique monastery in perfect structural condition. 5,000 sq.m. with 150 large rooms and garden, in panoramic location, wide-ranging views up to the sea. Available, with permit to restructure as a large hotel, clinic or rest home. Price: US$2,515,000.

RABATTI IMMOBILIARE, Via Roma 7
52100 Arezzo. Fax: Italy (39-575) 354235 or (39-55) 2479318

TUSCANY
6 km Casello Autosole, very panoramic setting. Typical Tuscan residence, completely restored. All amenities, 13 furnished apartments, sleeps 64, includes kitchenware, linens, television, heat, restaurant, swimming pool, tennis, bocce ball, horses, garden.
Price: US$1,930,000.

RABATTI IMMOBILIARE, Via Roma 7
52100 Arezzo. Fax: Italy (39-575) 354235 or (39-55) 2479318

THE ITALIAN PROPERTY PORTFOLIO
A selection of high quality property for private and commercial use throughout Italy: Estates, Castles, Monasteries, Villas, Farmhouses. Suitable for hotels, golf clubs, restaurants, apartments and private residences.
Contact: Simon Foster, IPP Ltd.
UK: Tel: (44) 0263 861108 Fax: (44) 0263 861518. ITALY: Tel: (39) 055 85 24 61 Fax: (39) 055 85 24 63

ROME PIAZZA DI SPAGNA and surroundings, prestigious apartments in various sizes. Tel: (39-6) 3227639.

MADEIRA

STEWARTS the Madeira specialists. Houses, flats and land for sale. Also holiday lettings. Tel UK (44) 276 71452 Fax (44) 276 52395

REAL ESTATE FOR SALE

MONACO

PRINCIPALITY OF MONACO
MAGNIFICENT 6-ROOM APARTMENT (260 SQ.M.)
For sale, composed of: large living room, fully equipped kitchen, 5 bedrooms - entirely redecorated, with marble floors, air conditioning, 3 parking spaces and 3 cellars
VIEW OF THE MEDITERRANEAN
For further details please contact
AGEDI
EB Residential
7 and 9 Bd des Moulins
MC 98000 MONACO
Tel: (33) 93.50.66.00 - telex 479 417 MC
Fax: (33) 93 50 19 42

UNIQUE LARGE 3-BEDROOM
3-bathroom apartment
in a brand new top class building. 70 sq.m. living room overlooking the sea with vast loggias, 1 cellar & 2 car parkings. Swimming pool.
HERPAIN
HERPAIN IMMOBILIER
3 Bd des Moulins, MONACO
Tel: (33) 93 25 30 00
Fax: (33) 93 25 06 38

ON THE PORT OF MONTE-CARLO
NICE 3-ROOM DUPLEX
In an old and charming building. Entrance, double living, bedroom, complete bath, kitchen, Private stairs direct to the roof: terrace 100 sq.m. Fantastic view on the Port and circuit of Monaco.
BREMOND DOTTA
Tel: 33-93.25.50.25 Fax: 33-93.50.95.81

ONE ROOM APARTMENTS
Opportunities in the center of Monte Carlo available for sale. Can be rented as office or private. Good investments and interesting prices.
PARK AGENCE
INTERNATIONAL
Le Park Palace
Tel: 93 25 15 00. Fax: 93 25 35 33
MC 98000 MONACO

EDGE of MONACO
Prestigious villa, panoramic views of sea and Monaco. Sumptuous gardens
Tel: 93 28 90 37
Fax: 93 28 91 82

PARIS & SUBURBS

LEVALLOIS, bordering
NEUILLY - PARIS
Owner sells in luxurious building
EXCEPTIONAL APARTMENT
195 sq.m. (never lived in) 9th & last floor, facing south - panoramic view. 76 sq.m. living, fireplace, 3 bedrooms, 3 bathrooms, equipped kitchen, 30 sq.m. TERRACE. 3 parking spaces.
PROMOPIERRE
Tel: (1) 44 40 47 47
Fax 44 40 47 80

A SELECTION OF TOWNHOUSES
ROLAND GARROS
• 300 sq.m. + 400 sq.m. garden
• 200 sq.m. + 300 sq.m. garden
VILLA MONTMORENCY, 16th
• 350 sq.m. + 200 sq.m. garden
BOULOGNE BOIS
• 200 sq.m. + 140 sq.m. garden
• 160 sq.m. + 40 sq.m. terrace
• 135 sq.m. + 100 sq.m. garden
NEVEU & CO.
Tel 1-47 43 96 96. Fax 1-47 43 19 29
CALL NOW, IT IS TIME TO BUY

HIGH UP IN THE SKY ON LUXEMBOURG
210 sq.m. duplex + 90 sq.m. terrace, panoramic view, Very high class fittings 2 parkings, maid's room
LITTRE (1) 45 44 44 45

PRESTIGIOUS TOWNHOUSES
Villa Said & Bois de Vincennes also prestigious apartments in 7th
Fax (33-1) 30 71 56 02
Tel: 33-1) 39 54 35 79
8am-noon & from 8:30pm

FOREST 300 HA. OAK/CHENE 70 KMS PARIS WEST
Ideal shooting/hunting/chasse
Recent 1981 home. FF.16,000,000
Tel: Paris (33-1) 4549 1960. Fax (33-1) 4544 1751. Weekends Tel (33) 3244 2057

EXCEPTIONAL BELLECHASSE
In Townhouse, beautiful layout, 220 sq.m. Calm, sunny, maid's room + double garage + cellar.
LOVAT Tel: (1) 47 05 05 69

URGENT - OWNER SELLS in order to continue scientific research. 17 kms S.E. Paris, Senart Forest, family home, 2 bedrooms, living, dining. Furnished with beautiful 19th century antiques. Former home of first world war hero (painter/writer). US$300,000. Tel: (1) 69 03 77 04 (before 8am / after 7pm)

BOULOGNE BOIS
Very charming house, garden living, 3 bedrooms, attic F6,660,000. Owner (1) 45 00 56 11

REAL ESTATE FOR SALE

PARIS & SUBURBS

TROCADERO
Exceptional apartment, 400 sq.m., facing south, indoor pool, sauna, landscaped garden. Owner: provinces 93 73 88 97

NEXT TO BASTILLE, 160 sq.m. duplex loft + terrace 12 sq.m. with parking. 1st floor: 90 sq.m., living room, 2 bedrooms, bathroom, wc, kitchen. 2nd floor: 70 sq.m. atelier, lift. F4,350,000. Tel: (1) 48 20 62 63 or 42 78 68 56.

STUDIO APARTMENT with mezzanine, in most chic area of 7th arrondissement of Paris. 2 skylights + fireplace, no elevator. Ideal pied-a-terre. Asking $150,000. Fax Japan: 3-37213337

NEXT TO NOTRE DAME, view on St. Julien Le Pauvre, 90 sq.m. duplex. Fireplace, rented parking available. For sale by owner. F4,500,000. Tel: 1-4556 1268 (home). Fax: 1-4705 8646.

16th, AVE KLEBER, high class flat, 2 bedrooms, 2 bathrooms, kitchen, large living. Private terrace overlooking Paris, parking. F5M. Tel (1) 4295 0527

NEUILLY, BLD ARGENSON, 4 rooms + balcony, 90 sq.m., entrance, large living, fireplace, 2 bedrooms, parking. F3,600,000. Tel: (1) 45 65 26 19.

PARIS 16th, elegant, large living room, 3 bedrooms, 3 marble baths, 3 toilets, 2 maids' rooms, garage, security video. F6,800,000. Tel: (1) 40 50 13 99.

7th QUAI D'ORSAY. Beautiful 200 sq.m. flat, paneling, 5/6 rooms, 2½ baths, 3 maids' rooms. (1) 42043691.

NEUILLY SUR SEINE, studio 30 sq.m. + balcony 6 sq.m. Price: F950,000. Tel: (1) 45 65 26 19.

SUPERB PENICHE (16th). Facing EIFFEL TOWER. Newly redone. Tel: LAMY (1) 40 70 18 84.

4th, ILE SAINT LOUIS, Eff. Sublime, 125 sq.m. character. ALPHA: Tel: (1) 42.72.70.81.

ON ILE, 15 KMS ST. GERMAIN, house, 130 sq.m., modern interior, garden. F1,950,000. Tel 1-30 55 05 16

SPAIN

YACHTSMEN
SEE THE OLYMPICS IN STYLE FROM AMPURIA BRAVA
Only 1½ Hours from Barcelona
In prime harbor location with deepwater moorings available - Fully furnished Luxury Apartment - 2 bedrooms-2 baths. Combined living/dining room with fireplace, spacious garage - only $150,000.
Exclusive Yachtclub, 1st Class Marina Aero Club with Hot-Air Balloon Rides, Skydiving and Ultra-Light Instruction.
USA Tel. 407-395-6347 Fax 395-0568
Spain Tel. 34-72-450812 Fax 72-450836

COSTA DEL SOL. Lovely chalet 100 Km. E. of Malaga on hilltop overlooking beautiful Mediterranean cost. 400 sq.m. on 2500 sq.m. lot. 3 bed, 3½ bath, large terrace, garage + automatic door, private pool, landscaped garden. By owner. NO agents. 65 Million pesetas. Tel: 34-58-610396

FUERTEVENTURA, Canary Islands, 1st offering, over 1300 ft. premium beachfront property, suitable 1st class resort. Dynapro Ltd., POB 2132, CH-Bar/Zug, Switzerland or fax 41/42 323885.

SWITZERLAND

PRIME PROPERTY IN SWITZERLAND
Melide on Lake Lugano - Terraced house in best location, overlooking lake & mountains, indoor swimming pool, sauna. 2 bedrooms, dreamlike private terrace. 250 sq.m. Price: SFr. 870,000.
Lago-Maggiore - Southern Switzerland. Small romantic house overlooking lake & mountains, private boat dock, etc. 4 bedrooms. Price: SFr. 980,000.
Near Zurich on Lake Walenstadt - Historic Castle Condominiums & modern apartments overlooking lake & mountains, best location 30 miles from Zurich. 1 to 4 bedrooms. Prices: SFr. 600,000 up
Emerald • Home Ltd
Via Pocobelli 25
CH-6815 Lugano-Melide
Tel: CH-91-68 65 23
Fax: CH-91-68 73 44

LAKE GENEVA & MOUNTAIN RESORTS
select APARTMENTS/CHALETS in MONTREUX, VILLARS, LEYSIN, LES DIABLERETS, GSTAAD Valley, CRANS-MONTANA, VERBIER, JURA. From SFr. 200,000.- (Mortgages)
REVAC S.A.
52, Montbrillant, CH-1202 Geneva
Tel 4122-734 15 40 Fax 734 12 20

USA GENERAL

VERMONT SKI RESORT
BANKRUPTCY SALE
Includes 800 + acres with 4 lifts, base lodge, 220 room hotel, fitness center, retail buildings, permits, water and sewer for 500 condos, +. MUST BE SOLD! Call D.R. Symmes & Assoc. (802) 295-9400 or fax (802) 295-5294 USA.

285 ACRES agricultural 320 Ft. highway frontage. Volusia County near Daytona Beach Florida. $570,000. Please call in Miami (305) 538-5663

45 Miles from Houston, Texas 8/10 acre, all improvements. 1 mile to lake & other amenities. D.A. Bogle, 3207 Edgewood, Dickinson, TX 77539 USA.

USA RESIDENTIAL

RYE CITY $4,200,000
BY THE SEA
Majestic 15 room Newport Mansion surveying Long Island Sound from prestigious Pine Island. Totally renovated, superb details, 4 fireplaces, sauna & jacuzzi + pool, dock, tennis court & Japanese gardens with waterfall. The view is forever!
Realty 3
914-967-1333

885 SQ.M. DREAM MANSION in exclusive Los Angeles near Beverly Hills. Priced to sell. Pari Financial Inc. Tel: 805-266-0995 Fax: 805-266-0999.

REAL ESTATE FOR SALE

USA RESIDENTIAL

NYC/Central Park South (Off)
Prewar 9 Rooms
SUN FLOODED
4 BEDROOM DUPLEX !
3400 sq. ft. magnificent N.Y. apartment! Grand entertaining! Huge gallery; 15' ceilings; 3 woodburning fireplaces; double living room; spectacular formal dining room; new kitchen; 2 baths. Mint must see! Corporation O.K. ! Co-exclusive
Dorothy Allen 212-891-7103/988-4707
Louise Hyde 212-362-9600/877-5767
Linda Stein 212-891-7009
DOUGLAS ELLIMAN

NYC/Park Ave Exclusive - 1 Bedroom
PREWAR ELEGANCE
High floor, bright & sunny 3 rooms. Move-in condition. Best block, fine building, large living room, modern kitchen, bath. View on Park Ave & East exposure. Picture windows. $345,000.
Mary Anne Greene 212-891-7002
DOUGLAS ELLIMAN

FLORIDA-BOCA RATON AREA
Now is the time to invest in Florida's fastest growing area. Enjoy all the amenities offered in country club communities, oceanfront condos, luxury homes + income producing properties. Contact: Grant Raffle, broker/salesperson, Gimelstob Realty Better Homes & Gardens, 7461 N. Federal Hwy., Boca Raton, Fl. 33487. Tel: (407) 241-6222, Fax (407) 241-6261 USA.

PALM SPRINGS, CA
World renown resort with excellent GOLF, TENNIS AND POLO facilities. Outstanding estate homes at bargain prices made more attractive by exchange rate. Send for free video tape c/o Sylvia or Steve: SYLVIA MILLER REALTY, 69844 A. Highway 111, Rancho Mirage, CA 92270 or Fax (619) 328-2027 USA.

ROMANTIC, SECLUDED SANTA FE adobe hacienda on 5-acre hilltop. Wonderful views of 3 mountain ranges. Hand crafted adobe walls, beams, doors, cabinets, vigas & latillas. Saltillo tile floors. 4 fireplaces, 3 bedrooms, 3 baths, exercise room, portals East, North & West. 4800 sq. ft. $995,000. Telephone: (505) 988-2777.

UPPER WESTCHESTER, NY Magnificent 1830 Colonial home on 6.6 rolling acres, lovely trees, gardens, stone walls. 4 bedrooms, 5 baths, 5 fireplaces, gourmet kitchen. Heated pool & spa. 2 bedroom cottage, 3 car garage. 50 min. to NYC. $1,895,000. Principals only. Tel: 914-763-9188. Fax: 212-373-2129 USA.

Fort Lauderdale, Florida. 2 condos, stunning intracoastal & ocean views, split 2 bedrooms, 2 baths. Completely updated, designer decorations, new appliances, high floors. Extras galore. Both are 1,300 sq.ft. $149,000 each. (305) 561-2296 Fax (305) 893-0604.

WASHINGTON DC Luxury Townhouse fully & newly furnished in the heart of Georgetown with security gates. Will sell turnkey including all furnishings: pots, pans, dishes & bedding. $910,000 or will trade for equity. Call 702-794-0222 Mr. Ratner.

NEW MEXICO—4 LOTS (1.2 acres). Near large university and emerging metropolitan area (Las Cruces). Excellent investment. U.S. $4500 each/all 4 U.S. $16,500. Write S. Bonafede, P.O. Box 75631, Honolulu, HI 96815.

KAUAI-HAWAII'S GARDEN ISLE 3 acre farm-exotic fruit trees, Main & Guest Houses, 3 other buildings. Full ocean & mountain views. Beaches, sports facilities nearby. $985K. Principals only. Tel: 808-332-8464 USA.

NEARLY 2½ ACRES of Sun Valley Idaho riverfront property owe $228,000. For sale $425,000 or will trade for $200,000 in equity. Call USA (702) 794-0222. Mr. Ratner.

ALASKA, FAIRBANKS - Large custom home on 80 acres. Spectacular mountain view. By owner. Box 81628, Fairbanks, AK 99708. (907) 479-6369 USA.

Boca Raton-Florida. Best buys! Ocean or Golf, condos or houses. Agent J. Hessel. 869 Via Cabana, #2A, Boca Raton, FL 33432 USA. (407)368-2486.

L.A. Designer's 140 sq.m. co-op, on Wilshire, 2 beds, all amenities, marble floors and columns in triple living. US$350,000. Tel Paris (33-1) 42043697

USA COMMERCIAL & INDUSTRIAL

NEAR DISNEYLAND
California, U.S.A.
21 Condominiums - Brand New
Completion in October 1991
Entire project for sale
$3.5 million dollars
Write to: OMEGA HOMES
P.O. Box 1597
Garden Grove, CA 92642
Tel: USA 714-636-9893
Fax: 714-539-0403

U.S. REAL ESTATE FOR SALE
• 74,000 sq.ft. office building
• 300 unit apartment complex
• New retail shopping centers
• 44,000 sq. ft. warehouse
• Land for development & investment
• Lakefront estate home
• Vacation homes
• Joint venture developments
Call Amy Tonnessen Redivest Partners
Tel: (407) 875-9989 Fax (407) 875-3137

ARIZONA - Owner selling choice 60 ACRES fronting on Interstate Highway 40. No citizenship required. Total price $23,800 with just $300 down and monthly. Reply Box 333, Tillamook, OR 97141 USA.

WEST INDIES

ANTIGUA WEST INDIES - FOR SALE - Old established West Indian family business-tourist oriented-with prime real estate and commercial properties. Call Phillips, Phillips & Archibold, Attorneys 809-462-4128/Fax 809-462-3137 business hours.

REAL ESTATE TO RENT/SHARE

CANADA

MONTREAL, CANADA
For Rent 3 bedroom, 2 bath luxury modern flat, 24 hr. doorman, indoor tennis/swimming pool, 2 parking spaces. Cdn $2,750 per month.
Tel: 514-733-2962

CZECHOSLOVAKIA

PRAGUE
Flow East Properties for all your residential requirements. Long term lets only (1 year min). Contact Steven Davis (+42) 2 545 144 Fax (+42) 2 545 149

FRENCH PROVINCES

JUAN LES PINS-COTE D'AZUR luxury apartment, magnificent view! Pool, tennis, garage. In France call (33) 93-61-19-18 or fax 93-61-90-87.

GERMANY

BONN - LUXURIOUS 3 BEDROOM apartment with large garden, built-in complete kitchen, 2 bathrooms, garage - Right between the Ministries and Embassies - Renting for two years. DM 2,700/month. Please contact phone or fax (+49) 228 - 31 17 18.

CENTER HEIDELBERG, 2 lovely furnished apartments, all comforts, superb location. (49) 6221 243 68.

GREAT BRITAIN

APARTMENTS IN CENTRAL LONDON Selection available in all areas from studio's to 3 bedrooms. Short/long lets. Tel: 071 436 3201 Fax: 071 436 3203

CENTRAL LONDON large, spacious flat, 4 bedrooms, 3 baths, living & dining rooms plus eat-in kitchen. Nicely furnished. £500/week. For details contact: Ed Reuteler - Tel: 704-529-6866 FAX: 704-529-6696 USA.

SHORT LETS AVAILABLE
for business & holiday trips throughout Central London. Call PKL 71 352 8111

MARBLE ARCH/BAKER STREET interior designed apartments. 1 month to 1 year. Also all sizes of flats & houses in North West London. 071 794 6702

KNIGHTSBRIDGE £64/night serviced luxury flats beside Harrods. From £32 in Kensington. Oxbridge Apartments Tel: (71) 835-1611 Fax: (71) 373-0036.

A LUXURY SELECTION of furnished/unfurnished properties in Central London from £150 to £2,000. Call Carringtons 071 736 6726.

CHARMING FLAT - BELSIZE PARK, 2 bedrooms, tiled fireplace, bay window, garden, view. £200/week. Tel: (71) 431-0624. Fax: (71) 431-1765.

CENTRAL LONDON. Luxury studios/apartments for short or long lets. A. Gover Estates. Tel: 071 820 9658 Fax: 71 735 0930.

HOLLAND

HISTORICAL XVIIth CENTURY TOWNHOUSE, (Former Mayor's Residence), heart of Amsterdam on famous canal, elegantly, fine-antique furnished.
* EXCLUSIVE APARTMENT *
Prestigious entrance, large living, oak beamed ceiling, marble fireplace, fully equipped kitchen. Master bedroom + en-suite bathroom. Guest room + bathroom. Sunny terrace. 2 mins walk from shops. Rent: Dfl. 6,500 per month, excluding utilities.
NATIONAL HOME RENTALS
Tel: 31.5296.4190. Fax: 31.5296.4120

RENTHOUSE INTERNATIONAL
No 1. in Holland
for (semi) furnished houses/flats.
Tel: 31-20-6448751 Fax: 31-20-6465909
N'hoven 19-21, 1083 AM Amsterdam

DUTCH HOUSING CENTRE B.V.
***** Deluxe rentals *****
Valeriusstr. 174, 1075 GH Amsterdam
Tel: 31.20.664.4444 Fax: 664.5354

ITALY

PENTHOUSE, ROME/CASSIA. Luxurious bi-level, furnished, pool, security, great view, 4 bedroom-bath. Tel: 06-66416539 - USA (213) 618-9034.

MONACO

PRINCIPALITY OF MONACO
FOR RENT
Furnished luxury apartment, 230 sq.m. with large terrace, facing Mediterranean in modern building - Parking - Fully equipped kitchen - 3 bedrooms / 3½ bathrooms.
Contact Private:
Tel: (33) 92 16 03 00
Fax: (33) 92 16 01 44

PARIS AREA FURNISHED

Embassy Service
8 Ave. de Messine
75008 Paris
YOUR REAL ESTATE AGENT IN PARIS
(1) 45.62.30.00
FAX (1) 42.89.21.54

FLATOTEL
EIFFEL TOWER OR EXPO PORTE DE VERSAILLES
from studio to five room deluxe apartments fully equipped and serviced, daily, weekly or monthly
Any further information:
Call: 05.345.345 Toll Free or (1) 45 75 62 20

11th NEAR BASTILLE OPERA
HOME PLAZZA
On landscaped garden ***
One day - one week - one month
2 to 5 person apartments
From F350
Telephone, TV, kitchenette
NATION (1) 40 09 40 00
BASTILLE (1) 40 21 22 84

CHAMPS ELYSEES
LUXURIOUS STUDIOS, TV, phone. No agency fee. F5,200 - F6,500 - F7,900 net month. Lease 1 month or more.
Tel: (1) 43.59.65.81

REAL ESTATE TO RENT/SHARE

74 CHAMPS ELYSEES
LE CLARIDGE
FOR 1 WEEK OR MORE
high class studio, 2 or 3-room apartments. FULLY EQUIPPED
IMMEDIATE RESERVATIONS
Tel: (1) 43 59 67 97

AT HOME IN PARIS
SHORT OR LONG TERM
apartments for rent furnished or not
PARIS PROMO
Real Estate Agent - Property Manager
25 Ave Hoche, 75008 Paris. (1) 45632560

EXCLUSIVE FURNISHED RENTALS
First in quality and service
Tel: 1-47 53 86 38. Fax: 1-45 51 75 77.

PARIS BIENVENUE. Furnished studios & apartments 1 WEEK TO 2 YEARS in Central Paris. Chauffeur available. Tel: (1) 47 53 80 81. Fax: 47 53 72 99

ETOILE/TERNES, 108 sq.m. - 6th floor, elevator - double living - 2 rooms - 2 bathrooms - F17,500 including charges. Tel: (1) 45 74 04 27.

15th, BIR HAKEIM, very beautiful & luxurious studio, 2 rooms, 3 rooms, view Seine, all comforts, parking. From F6,000 to F14,000 net. Tel 1-4758 1623

ILE DE LA CITE. Small 2-room flat. Light, quiet. Available September 3-6 months. Tel: UK 71 584 3556 or Paris (1) 43 25 14 27.

LATIN QUARTER, entry, 2 rooms in townhouse, kitchen, bath, sunny, view, heating. Owner: (1) 43.54.65.69.

PARIS AREA UNFURNISHED

17th, CHAMPERRET, 118 sq.m. Sunny, entrance, living-dining, plus 2 large rooms and 2 bathrooms. Please call (1) 4054 0067, August 5-6, from 9am to 12 noon & 8pm to 11pm for appointment.

92, TOWNHOUSE NEXT TO SEINE. Close to ROISSY, La Defense. 3 bedrooms + 1 extra. 2-car garage, backyard. 140 sq.m. F9,200 + charges. Tel: OWNER (1) 47 94 51 77

SARDINIA

COSTA SMERALDA. Magnificently designed villa, near Pevero golf course. Panoramic views, several terraces, within 10 mn. of beaches, 5 bedrooms with bath. Free from Aug. 15 & Sept. Tel: (33) 93507124 early morning

SWITZERLAND

GENEVA OLD TOWN. Unfurnished 5-room apartment, University view. Contact UK 71 584 4917.

USA

Manhattan
BETTER THAN A HOTEL
BRISTOL PLAZA
NEW LUXURY SUITES, ELEGANTLY FURNISHED WITH DAILY MAID & LINEN SERVICE.
COMPLIMENTARY MEMBERSHIP FOR POOL & HEALTH CLUB
AVAILABLE ON LONG OR SHORT TERM LEASES.
ONE MONTH MINIMUM.
RENTS FROM $3900
210 E. 65th St
TEL: (212) 826-9000
FAX: (212) 753-7905
DOUGLAS ELLIMAN

NEW JERSEY
TOTOWA
65,320 sq.ft.
Ceilings 22' ft. clear, 3.1 Acres
F.M. Sprinkler System
Immediate Occupancy
with 9,000 sq.ft. offices
Renovate to suit. 3,600 Amps
IDEALLY Located at Routes 46, 80, 23
SADDLE BROOK
14,290 sq.ft.
HEAVY POWER, HEAVY FLOOR
IDEAL Manufacturing
IMMEDIATE OCCUPANCY
BROKERS PROTECTED
Tel. Owner: 201-796-0050
Fax: 201-796-3305 USA

NEW YORK-UPPER EAST SIDE Office with great kitchen and bath. Live where you work! 2000 sq. ft. Nice. $5,000/month. Tel: (212) 486-0235 USA.

NEW YORK CITY UN 10 mn. down the st. Sutton Place luxury doorman building, new furniture, new kitchen, air conditioning, TV, small 1 bedroom, $1120/mo. References 212-371-6554

MID-MANHATTAN Fully Furnished 1 bedroom apartment. Luxury doorman bldg., ideal corporate rental. Tel. 718-631-0156 fax 718-631-0154 USA.

NY FURNISHED SUBLET, Sept. 15-Apr. 1. Tribeca duplex (1400 sq.ft.) Landmark doorman building. $3000 mo. including utilities. Call 212-966-7703

Furnished Apartments NYC 30's off Park Ave. $1600-$4500/mo. Corporate accounts too. Tel USA 203-656-3653

NYC-MID MANHATTAN STUDIO 24 hr. security. Available Aug. 1, $855/mo. No fee. Call 718-937-6942 USA.

REAL ESTATE WANTED/EXCHANGE

FOR ULTIMATE NYC living try this upper east side at 72nd & Lexington. Through wall air conditioning, good condition, 3/4 bedrooms and baths, dining area large enough to seat 8, good sun light. Owner seeks the equivalent in Paris for trade. September through January 1st. Call or Fax (33) 94 79 27 45.

HOME IN TUSCANY IN EXCHANGE for home in the Berkshire Hills, Mass. or Philadelphia for 1 week in Oct. or negotiable. Respond: Box 132, Reservoir Rd., Richmond, MA 01254 USA.

GREAT BRITAIN

THE TOWER PENTHOUSE
EMPIRE HOUSE • KNIGHTSBRIDGE
LONDON SW7 • ENGLAND

A dramatic new Penthouse featuring Reception Rooms on 3 levels within the Tower Dome and spectacular views across London.

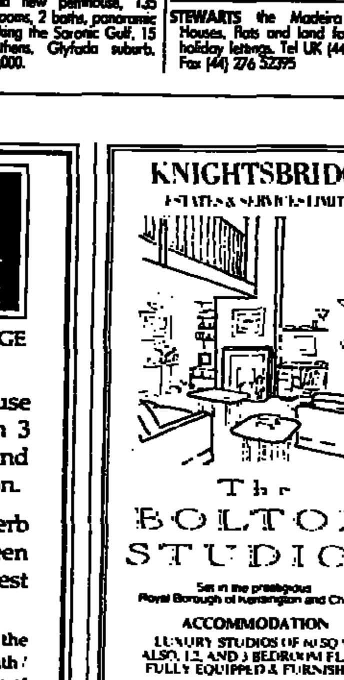
The Penthouse offers superb entertaining space and has been finished to the very highest specification.

• Reception Rooms on 3 levels within the tower dome • 5 Principal Bedrooms • 4 Bath/Shower Rooms • Security System • Staff Bedroom and Shower Room • Constant Hot Water and Central Heating • Guest Cloakroom • Roof Garden • Lift • Porterage • Underground Parking available on a rental agreement • Newly built 2 bedroom, 2 Reception Room Guest Annexe also available.

LEASE 99 YEARS PRICE: ON APPLICATION

SOLE AGENTS
CLUTTONS
117-119 FULHAM ROAD
LONDON SW3 6RL
TEL ++44 (071)-589 1122
FAX ++44 (071)-589 8132

KNIGHTSBRIDGE
ESTATES & SERVICES LIMITED



The BOLTON STUDIOS
Set in the prestigious Royal Borough of Kensington and Chelsea
ACCOMMODATION
LUXURY STUDIOS OF 80 SQ M
ALSO 1, 2, AND 3 BEDROOM FLATS
FULLY EQUIPPED & FURNISHED
SERVICES
MAID SERVICE, PORTERAGE AND SECURITY INCLUDED
FULL RANGE OF OTHER SERVICES AVAILABLE
FOR FULL BROCHURE AND DETAILS TELEPHONE UK 71 937 4376
FAX UK 71 938 2340
IVES ST. KNIGHTSBRIDGE
A NEW DEVELOPMENT OF LUXURY HOUSES. 3 BEDROOMS WITH ENSUITE BATHROOMS. GARAGE AND SECURITY. FULLY EQUIPPED & FURNISHED. AVAILABLE FOR SALE OR LET. OPTIONAL MAID SERVICE
TELEPHONE: UK 71 937 4376

FRANCE

St. Jean Cap Ferrat
UNIQUE OPPORTUNITY
Swiss Finance Company holding a mandate as executor (winding up after a lawsuit) sells the following:
a) St. Jean Cap Ferrat: 3-bedroom apartment, 240 sq.m. of living space in a 4-flat house of the Belle Epoque, newly refurbished, beautiful park with old trees, unimpeded view etc. private access road. Bank estimate: 2.0 million S.Fr. Winding-up price 1.5 m SFr, or to the highest bidder
b) Beaulieu-sur-Mer: 3-bedroom, single-family house, 170 sq.m. of living space, 80 sq.m. of sun terrace, stunning site above the port, view of Cap Ferrat, newly refurbished, etc. Bank estimate 1.1 million SFr. Winding-up price: 850 000 SFr., or to the highest bidder
Both objects may be inspected from July 1 through the end of August 1991
If you are interested in visiting the above premises, please suggest suitable dates to Fax CH-/1/262 36 25, Switzerland.

SWITZERLAND

Splendid horse-farm
near Fribourg/Switzerland
20,000 sq.m. of land
Price: 2 Mio. SFr.
Tel: 41+61/89-51-22

USA

MALIBU, BEL AIR BEVERLEY HILLS
"Own a piece of Hollywood"
Top developer and architects, with outstanding 14 year record developing "trophy" homes for sale to the rich and famous, seek investment funds to expand operations and capitalize on today's unusual buying opportunities.
30% HISTORIC RETURN
For details
Fax (US) 0101 213 747 5770
or UK (0) 732 63345

ITALY

THE ITALIAN PROPERTY PORTFOLIO
A collection of high quality property for private and commercial use. Farmhouses, Villas, Castles, Monasteries, Hotels, Apartments, Restored and to restore. Minimum price US$850,000. *Please contact* Simon Foster with your Brief.
UK: IPP Ltd., Roundabout Cottage, Thurning. Norfolk NR20 5QS
UK – Tel: (44) 0263-861108
Fax: (44) 0263-861516
Italy – Tel: (39) 055-852461
Fax: (39) 055-852463

INVEST IN FRANCE
Excellent opportunities for high class investment in commercial property. Shops, offices, hotels, restaurants and quality apartments.
JMS Immobilier
Terry Edwards
939, rue de la Croix Verte
34094 Montpellier
Cedex 05 France
Tel.: (33) 67 61 02 80
Fax: (33) 67 52 20 57

RENTALS

GREAT BRITAIN

PKL
London flats and houses to American standards. For long and short term rentals in London. From £180 per week.
For all your enquiries call:
Chelsea (71) 352 8111
Holland Park (71) 727 2233
Regents Park (71) 586 9882
Wimbledon (81) 947 5309

CALIFORNIA, U.S.A.
Great opportunity to own new Franchised Tune Up Businesses with Real Estate ownership included. One of the top 10 1991 rated Franchises. Can be managed by owner or by the franchisor. Minimum investment is US$870,000. This investment meets current U.S. emigration guidelines.
Contact: Mr.Chin (408) 741-4234
Fax: (408) 725-1127 USA

KUWAIT

RECONSTRUCTING THE FUTURE

Confidence Returns as Oil Begins to Flow Again

As thousands of Kuwaitis return home, a vision of a new Kuwait is emerging from the ashes as reconstruction accelerates. A year after the Iraqi invasion, vital oil production has restarted, and the essential services are working again. For the Kuwaitis, the Al-Awdah (homecoming) is a poignant experience.

Many problems remain, not least about the role that non-Kuwaitis should play in the reconstruction and the future political shape of the country's government.

Kuwaitis have been buoyed by reports that the total damage to infrastructure has been set at between $20 billion and $30 billion. This sum is far less than was forecast during the war, when estimates ranged as high as $100 billion.

Much progress has also been made, despite considerable initial difficulties in obtaining equipment and supplies, in repairing hundreds of damaged oil wells. By mid-July, more than 200 had been capped and, as a result, the environmental pollution affecting Kuwait City and the oil town of Ahmadi was much reduced.

Estimates of war damages are reduced

Bechtel, the U.S. company that has the main contract for reconstructing the oil sector, together with the state-owned Kuwait Petroleum Corp., is working on plans to recover oil from the huge lakes that have formed around the burning wellheads, as well as on repairing the country's oil gathering and refining facilities.

As a result, oil production is forecast to rise from about 50,000 barrels a day in June to up to 200,000 barrels a day by this autumn. With internal consumption estimated to total 120,000 to 130,000 barrels a day, the country is rapidly filling its storage tanks with crude oil ready for export.

In addition, Kuwait is benefiting from restored production in the Neutral Zone, which it shares with Saudi Arabia. Kuwait's portion averaged just under 78,000 barrels a day in June.

The first export shipment of oil was made in June, but the government's hopes to revitalize its finances with oil revenues — the main source of earnings prior to the invasion, together with earnings on the country's $100 billion in foreign assets — will have to await further efforts to combat the hundreds of remaining wellhead fires and in repairing the country's export terminals.

Nevertheless, hopes are rising that exports from Kuwait's onshore fields can begin by the end of the year. Meanwhile, the restoration of local output is helping to reduce the drain on the public purse caused by the need to import refined petroleum products to fuel power stations and other utilities and to provide gasoline and domestic energy supplies to the Kuwaiti populace.

The government's generosity in canceling personal debts and in making cash grants both to nationals who stayed during the occupation and to those returning from exile is expected to stimulate a consumer spending spree, which will help to revive the retail sector. Official payouts for these purposes alone have amounted to between $6 billion and $7 billion since the war's end.

Few observers expect corporate business to resume in earnest before September or October, when the government's spending plans become clearer and when plans to enable companies to obtain compensation from Iraq are formalized.

Confidence is returning gradually, although the country's merchant families have suffered huge losses and face daunting bills for repairs and restocking. Al-Ghanim Industries, the country's largest General Motors dealer, is a case in point. It had 7,000 of its cars and other vehicles stolen, stripped or destroyed, two of its five showrooms burned and most of its workshops and spare-parts facilities heavily damaged, but it has now ordered 8,000 new passenger cars from Detroit and has already sold hundreds to the government, according to reports in London.

Pending the full reopening of Kuwaiti ports, other entrepreneurs have moved operations to Dubai, where they are placing orders for essential consumer goods, building materials and industrial plant, transportation and communications equipment. Once in Dubai's warehouses, these can be transported to Kuwait by road, sea or air as demand improves.

While the reduction in the damage assessment and the delays encountered in financing reconstruction have dampened early hopes of international companies for a bonanza, thousands of firms are flooding Kuwait with offers of goods and services.

The initial damage assessment and emergency repairs have been completed by the U.S. Army Corps of Engineers, and the government is now planning for the longer term. Multimillion-dollar contracts are expected to be awarded in the next six months by the Ministries of Electricity and Water, Public Works and Health.

Awards will also be granted for the repair of the country's telecom-

Continued on page 8

His Highness the Emir of Kuwait Sheikh Jaber al Ahmad al Jaber al Sabah (center) and Crown Prince and Prime Minister Sheikh Saad al Abdullah al Salim al Sabah (right) at the opening of the National Council.

TABLE OF CONTENTS

Page 2
Finding the funds to pay for the damage of war
Mergers may provide help for hard-hit banks
Page 3
Ray of hope breaks through the smoke
Page 4
Oil minister confident about growth of exports
Investment houses plan for difficult road ahead
Page 5
Planning the first steps toward elections in 1992
Airways back on course to fly the world again
Shippers find ways to use damaged ports
Pages 6 & 7
Map of wartorn Kuwait City
Road back to normal business is hard — but rewarding
Page 8
Planning the restoration of a vandalized city
General Kelly describes the long-term role of the army
Page 9
Facing the daunting task of clearing the ports
The task of getting water to flow again
Page 10
Priceless treasures still on missing list
High stakes involved in telephone contest
Page 11
For pupils, a lost year and a wrecked school
Decades of research destroyed by vandals
Page 12
Ministry of Public Works explains its priorities
Staff needed to keep hospitals running
Cutting a clear path through the legal tangles
Page 13
Wrecked hotels recover to welcome back visitors
Keeping the spotlight on prisoners in Iraq
Measuring the damage

KUWAIT'S GLOBAL MERCHANT BANKING ACTIVITIES.

The responsibility of representing our customers in the investment world is foremost in KFTCIC's priorities. Kuwait is in an advanced position in global financial affairs and has provided for a conducive legal environment and modern communication facilities. KFTCIC enjoys access to the financial centres flanking Kuwait East and West.

At KFTCIC, asset allocation and investment decisions are taken within a framework of global thinking and value guides the Company's interests. Versatility ensures a comprehensive service and affirms the Company's commitment to global merchant banking. KFTCIC markets encompass:

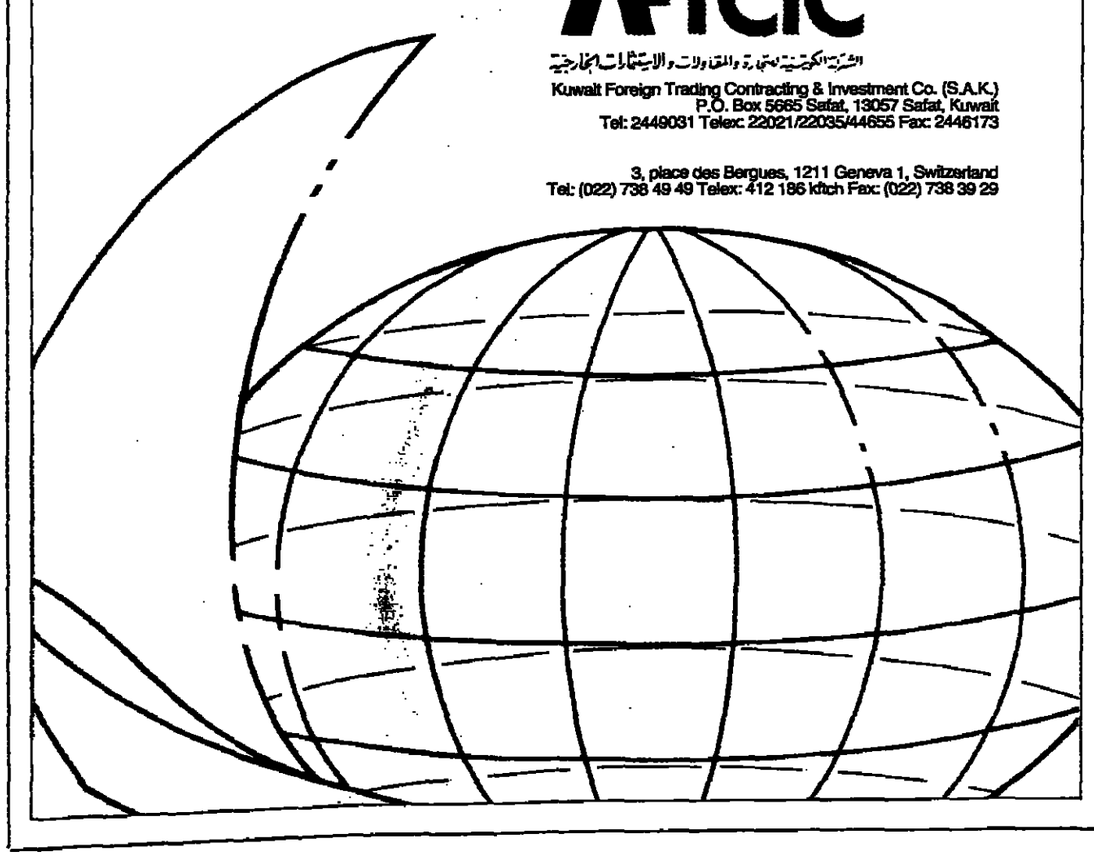
- Asset Management
- Capital markets and direct investments
- Currency exchange and money markets
- International finance and advisory services

KFTCIC

الشركة الكويتية للتجارة والمقاولات والاستثمارات الخارجية

Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)
P.O. Box 5665 Safat, 13057 Safat, Kuwait
Tel: 2449031 Telex: 22021/22035/44655 Fax: 2446173

3, place des Bergues, 1211 Geneva 1, Switzerland
Tel: (022) 738 49 49 Telex: 412 186 kftch Fax: (022) 738 39 29



Thank you.

The struggle to free Kuwait is over at last—a victory that would not have been possible without the unwavering support of the international community.

On behalf of all our people, Kuwait Airways would like to say **thank you.**

The challenge of rebuilding our country is formidable but the government and the people of Kuwait are ready and determined.

For Kuwait Airways, optimism is based on strength. Our expertise and worldwide reputation for excellence will ensure that we take every opportunity that the future offers.

Now that we can welcome you home, welcome aboard!

الخطوط الجوية الكويتية KUWAIT AIRWAYS

Meeting the challenge and flying high.

Now that we're back, we're ready to go forward.

ADVERTISING SECTION

Finding the Funds To Pay for the War

As the Kuwaiti authorities come under increasing pressure to find new sources of funding to make up for their lost oil revenues, speculation is focusing on the prospect of borrowing substantial sums from the world's commercial banks.

With its huge treasure chest abroad, estimated at the time of the Iraqi invasion to total some $100 million, Kuwait enjoys a good credit rating in international markets. Bank loans would enable the government to finance its expected budget deficits in the next few years, while preserving the value of its foreign assets and the earnings that accrue from them in the form of dividends, rent and fees.

The commitments made by the Kuwaiti exchequer since the invasion have entailed huge outlays and will continue to involve billions of dollars in spending during the reconstruction period, which is expected

Plan for raising cash while preserving assets

to last until the mid-1990s. From being a capital exporter, the country has turned into a capital importer, and it can expect to run in the red until crude oil is flowing again and the economy has recovered, international bankers report.

While few details are available yet, the finance minister, Nasser Abdullah al Rudhan, disclosed in June that the military bill for liberating Kuwait has now topped $22 billion. This sum is thought to include $18.5 billion promised to the U.S.-led allied coalition partners and a large share of the $9.5 billion pledged by the Gulf states to the Gulf Financial Crisis Coordination Group, the Washington-based organization set up to help countries that suffered from the crisis, such as Egypt and Turkey.

The costs of keeping some 400,000 Kuwaiti exiles fed and housed during the war and occupation is estimated to have totaled at least $1.5 billion, not counting the amount needed to run the government-in-exile and to pay civil servants throughout the crisis.

Writing off the personal debts, mainly car loans and mortgages, of Kuwaitis who remained in the country during the occupation and providing them with cash grants is estimated to have taken another $4 to $5 billion out of the public purse.

Billions have also been spent on propping up the country's banks by paying the outstanding interest on their foreign loans, guaranteeing deposits and supporting the pre-invasion exchange rate for the Kuwaiti dinar. Still more has been spent on emergency repairs and initial efforts to restore oil production and refining facilities.

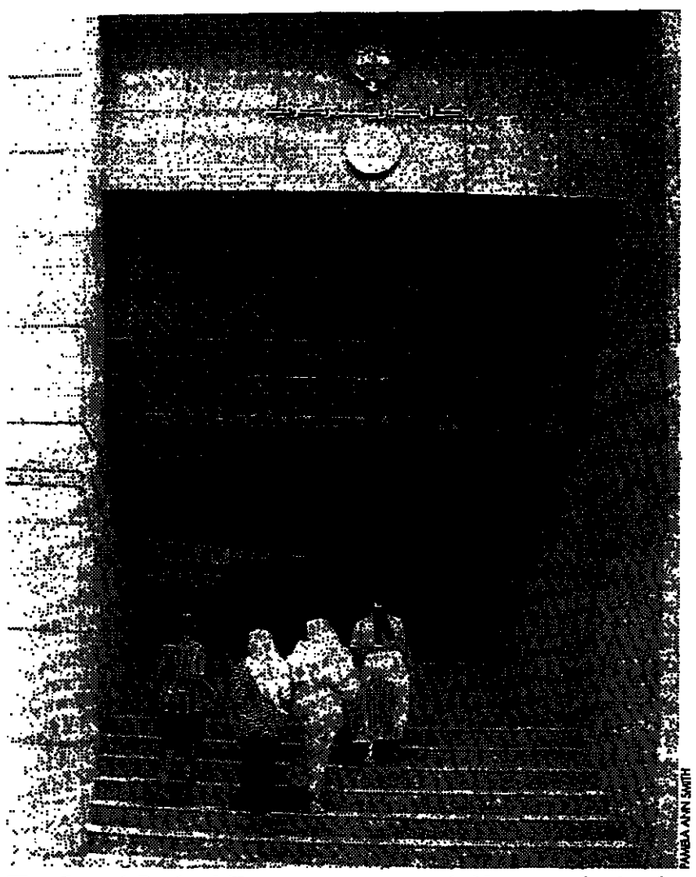
Western bankers say the government may have spent as much as $19 billion during 1990 alone. Only about $4.6 billion would have been available from oil exports during the first half of the year, plus possibly another $3 billion in earnings from foreign assets.

This year, the government is also considering paying each Kuwaiti family some $70,000 to compensate them for their personal suffering during the occupation. This could cost up to $10 billion, according to the Nicosia-based weekly, Middle East Economic Survey. Still other payments may be made to the country's businesspeople to help them rebuild shops, warehouses and factories.

By last May, as the bills for reconstruction began flooding in, Kuwait was facing what the finance minister confirmed were "liquidity problems." Hopes that the neighboring Gulf countries might lend some 800,000 barrels of oil a day to Kuwait to replenish its export revenues until its own facilities were back in action proved fruitless. Despite talks on the subject last spring, no such commitments have been forthcoming.

Reports from New York in June said that the Kuwait Investment Authority, the affiliate of the Ministry of Finance that controls the country's investments, may have liquidated up to $15 billion of its foreign assets to fund the government during the crisis, and officials remain reluctant to engage in further asset sales.

In a significant move, the Emir, Sheikh Jaber al Ahmad al Jaber al Sabah, has issued a decree setting a ceiling on future borrowing of 10 billion Kuwaiti dinars (about $34.5 billion), according to reports from Kuwait. This in turn has paved the way for agreement on short-term credits to finance immediate needs.


PAMELA ANN SMITH

The Central Bank of Kuwait remains remarkably intact despite the looting of its vaults.

Bankers in London said in mid-July that a loan worth up to $3 billion could be signed by the end of the month. They have also noted, however, that while the decree raises the prospect of substantial borrowing, no firm program has yet been announced by the government. Moreover, as the Middle East Economic Survey noted, the total sum allowed already includes some $10.5 billion in domestic borrowing agreed upon before the invasion.

While U.S. banks such as J.P. Morgan, Chemical Bank and its new partner, Manufacturers Hanover, are expected to play a leading role in arranging such international credits, it is not yet certain that Kuwait will be able to obtain the best terms possible. Some bankers claim that because Kuwaiti debt is classified with that of other Third World countries under rules set by the Basel-based Bank for International Settlements, Western institutions would have to charge high margins for covering such lending in their own balance sheets.

They have urged the Kuwaiti government to seek an exemption from these rules, a move Saudi Arabia has already successfully made, before agreeing on a long-term borrowing scheme.

The Kuwait Investment Authority, and its London offshoot, the Kuwait Investment Office, are said to be reluctant to promise collateral, arguing instead that their creditworthiness does not require such pledges.

Other funding possibilities, Western bankers suggest, could include raising export credits from industrial countries that would like to trade with Kuwait or that may be involved in the huge reconstruction program. The U.S. Export Import Bank, they note, has already opened a special loan guarantee scheme for Kuwait that could lead to credits worth $2.5 billion over the next year or so. Another $1 billion is said to have been pledged to cover Kuwaiti imports by Dutch bankers, guaranteed by the Dutch export credit agency.

What seems certain is that with some 300,000 Kuwaitis returning, finding a solution to the financial difficulties has become urgent. Progress is said to be moving fairly quickly on another method of using the country's foreign securities to raise funds. This financial technique, known as "repos," involves temporarily selling Kuwaiti assets — whether stocks, bonds or property — and then repurchasing them at a premium when the economy recovers.

This process would not necessarily involve a change in title to the assets but would provide immediate liquidity, bankers say. Citibank of the United States is said to have already agreed to a three-month credit of $500 million, which can be rolled over until maturity, using this method. The deal is backed by bonds and securities already held by the bank in portfolios managed for the Kuwait Investment Authority and the Kuwait Investment Office, according to reports from New York.

A similar plan has also been presented to the government by the London-based United Bank of Kuwait, a British-registered institution set up by Kuwaiti banks.

Unlike in Britain, where securities have to be registered under the owner's name, the use of anonymous, bearer securities is possible in the United States and in most other industrial countries. This, bankers say, would help the government to avoid the appearance of mortgaging its assets.

Pamela Ann Smith

Mergers May Provide Help for Hard-Hit Banks

After a year of turmoil, Kuwait's commercial and investment banks are facing still more difficulties as the country gets back to work.

Having reopened some of their branches in March, the banks have been busy repairing and restaffing their headquarters in Kuwait and, most importantly, preparing their long-awaited balance sheets. More immediate problems are expected to arise this autumn when exchange controls are lifted and talk of mergers begins in earnest.

During the spring, activity at the six commercial banks in Kuwait focused on accepting deposits and paying out withdrawals, as well as on dispensing the 500-Kuwaiti-dinar ($1,750) grants made by the government to those citizens who stayed through the occupation. The banks

Banks' balance sheets have suffered from war

also had to assess the amount of non-performing debt in their loan portfolios of some $18 billion and the effects of the government's decision in April to write off Kuwaitis' personal debts, mainly consumer loans and mortgages.

The commercial banks had net foreign assets totaling 1.36 billion dinars in May 1990, according to figures published before the Iraqi invasion, but their balance sheets have suffered dramatically during the months of occupation. With the exception of the National Bank of Kuwait, the country's largest bank in terms of assets, most had to turn to the Central Bank for support last year to meet interest payments on outstanding loans when their assets abroad were frozen and many of their interbank credit lines were cut. The Central Bank guaranteed all deposits in the banks immediately before the invasion. Other cash injections were needed to help fund withdrawals, even though these were limited at first to 4,000 dinars a month, raised to 6,000 dinars at the end of July.

Nevertheless, the domestic banking system intended to settle all interbank transactions by the end of July. "It is the intention of the government to fully support the banking system and to guarantee all deposits," Skeikh Salem said. "It is very important to us that our banks must meet their commitments."

Now the bankers are concerned that government promises to end restrictions on withdrawals in August and to lift controls on access to foreign exchange could raise the possibility of substantial capital flight this autumn. A figure of $3 billion to $5 billion in outflows has been suggested.

Most bankers are optimistic, however, that a headlong rush to transfer funds abroad can be avoided and that, in any case, the Central Bank will honor its promises both to support the current exchange rate of the dinar, an exercise that was reported to be costing it $100 million a month earlier this summer, and to ensure sufficient liquidity in the banking system.

Although the National Bank of Kuwait's general manager for international banking, Nemeh Sabbagh, feels that the removal of restrictions on capital movements could lead to a significant amount of funds leaving the country, he expects the outflows to be tempered by the Central Bank's commitment to providing liquidity relief. Speaking at a conference in Florida in April, he also said that government spending would "replenish, at least partly, the stocks depleted by cross-border capital movements."

In the longer term, the number of banks and financial institutions operating in the country can be expected to be reduced through mergers or acquisitions. Bankers, notes Mr. Sabbagh, "remain confident that all of Kuwait's financial institutions will survive." But, he adds, the need to streamline the banking industry may lead to mergers, especially since the Central Bank had favored such moves even before the crisis.

Little action is expected before next spring, however. "Even if a merger is agreed," says one banker in Kuwait, "it will take a long time to implement. There will be a big engagement party, but the marriage could take much longer."

"Mergers won't happen this year," says Mustapha Serageldin, chief European representative of the Bank of Kuwait and the Middle East. "First you have to have the audited statements," which will cover the two-year period from January 1990 to the end of December 1991. "The banks will then present this picture to the Central Bank, which will have to come up with a proposal for mergers and acquisitions."

Negotiations will then have to be held with the banks' shareholders, he says, "and the government will have to pay a lot. No Kuwaiti is going to lose money." This process will take at least several months to complete, he estimates, and no formal moves can be expected before June of next year.

While the rumor mill is busy guessing who will merge with whom, everyone agrees that the National Bank of Kuwait will remain untouched. Alone among the local banks in being authorized to issue letters of credit, it survived the invasion and occupation thanks to its huge, and highly respected, international operations. As a result, it ended 1990 with total assets of $5.6 billion, including $2.3 billion in cash and money at call. It is reported to be considering plans to consolidate its

PAMELA ANN SMITH

Central Bank Governor Sheikh Salem Abdulaziz al Sabah.

foreign operations by incorporating its overseas operations and subsidiaries in Britain.

Those that will be affected, bankers say, are the institutions in which the government has a majority shareholding, including three commercial banks, Burgan Bank, Bank of Kuwait and the Middle East and AlAhli Bank; two specialist institutions, the Industrial Bank of Kuwait and the Kuwait Real Estate Bank; and two large investment houses, the Kuwait Foreign Trading, Contracting and Investment Co. and the Kuwait Investment Co. The last two, together with the privately owned Kuwait International Investment Co., had assets worth almost $4 billion before the invasion, most of which had been placed abroad.

Although speculation has also continued that the government might allow a foreign banking presence in the country, possibly in a joint-venture arrangement, most Kuwaiti bankers doubt this will happen in the near future. "They will have to wait a couple of years to see how the local banks fare before they allow a foreign bank in to compete," says Mr. Serageldin. Kuwait will eventually allow foreign banks into Kuwait, says Mr. Sabbagh, but it will be done gradually.

P.A.S.

We first helped Kuwait
bring oil
to market in 1947.

Today, we're proud
to help bring Kuwait's oil
back to market.

Bechtel

Confidence Returns as Oil Flows

Continued from page 7

munications system, palaces, hotels, port and airport facilities, for the construction of some 27,000 new homes and for the refurbishment of schools, the university and scientific institutes.

Billions of dollars are also expected to be spent in the next few years on upgrading defense and security installations, on expanding industrial output and on restocking warehouses and distribution centers. So great is the interest of foreign firms that the organizers of the Kuwait International Trade Fair, due to be held in February, are considering erecting tents to accommodate the demand for exhibition facilities. To date, more than 1,500 companies from 32 countries have applied to book some 20,000 square meters (215,000 square feet) of space.

In July, a 75-member National Council set up before the Iraqi occupation resumed its deliberations, and the Emir, Sheikh Jaber al Ahmad al Sabah, has promised to hold full parliamentary elections by October 1992. In the meantime, most Kuwaitis appear convinced that the necessary reforms will be implemented after a process of debate and dialogue has taken place with the ruling family.

Discussions are also being held over the role expatriates and foreign workers should play in the new Kuwait. A plan drawn up by the government before the invasion had called for a gradual reduction in their numbers, and during the occupation, the Kuwaiti authorities announced measures aimed at reducing the total population of the country to only 1.2 million. With Kuwaitis themselves numbering some 700,000 to 800,000, this would mean a dramatic decline in the immigrant labor force. The prewar population was 2.2 million.

Some local merchants and industrialists have pointed out that expatriates and foreign workers provided more than 90 percent of the private-sector labor force and that, as a consequence, policies to cut the number of immigrants could have an adverse effect on the ability of the country to rebuild rapidly. But many Kuwaitis are convinced of the importance of self-reliance.

Already, many ministries are cutting down on their non-Kuwaiti staff and making do with fewer workers altogether. In the private sector, companies are being limited to a quota of immigrant labor, with many workers allowed in only on temporary visas pending the formal declaration of a new law of residence. This will give priority to the training and recruitment of the indigenous citizens.

In the final analysis, the success of Kuwait's recovery and reconstruction program will depend greatly on the continuing support it has received in the region and internationally. Above all, it will depend on a final peace settlement with Iraq that involves firm guarantees of its borders, an end to the continuing threats from the north, measures aimed at returning home the thousands of missing Kuwaitis and the payment of adequate compensation for the huge losses the country has suffered.

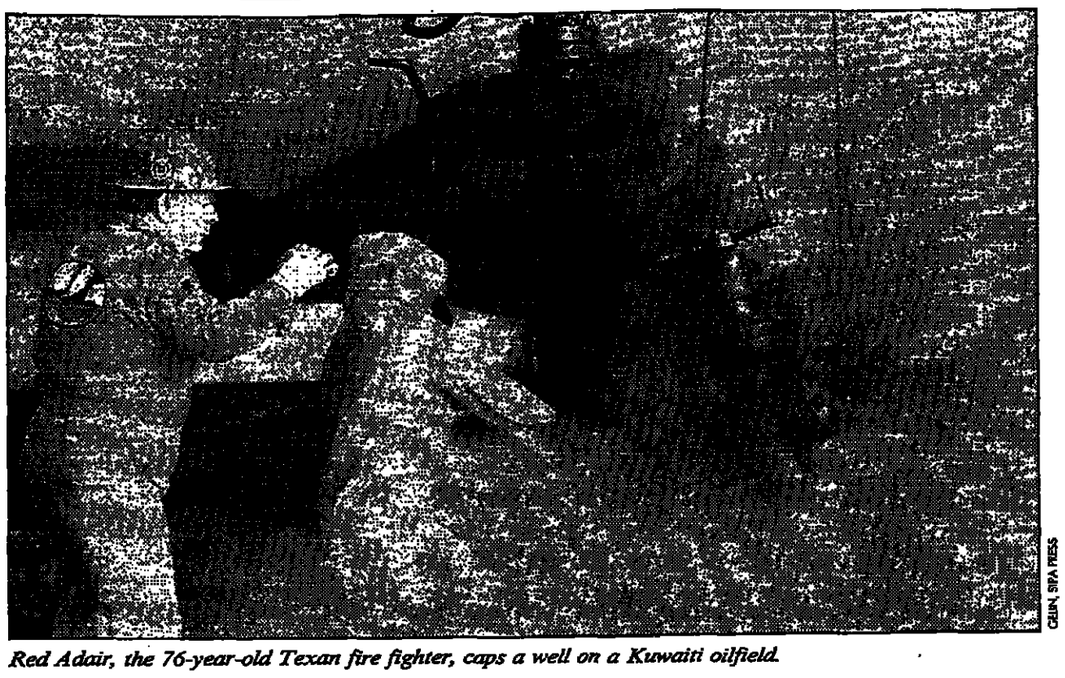
Pamela Ann Smith

A Ray of Hope Breaks Through Black Smoke

Fire fighters and oil industry experts are more optimistic now that the first crude oil production has restarted in Kuwait. About 220 of the burning oil wells have been capped, but the fight against the fires will continue for months.

Before the war, Kuwait was pumping 1.7 million barrels a day from its reserves of 97 billion barrels. Since the fighting began last February, more than 4.8 million barrels a day have been going up in smoke.

Today Kuwait is back in the oil business. While an 850-mile (1,380-kilometer) long plume of black



GEIN, SIPA PRESS

Red Adair, the 76-year-old Texan fire fighter, caps a well on a Kuwaiti oilfield.

High cost of capping burning oil wells

smoke from the raging fury of the oil wells hangs over the Gulf, the first few thousands of barrels of oil are being piped into storage tanks, ready for refining. Teams of fire fighters from around the globe are tackling Saddam Hussein's legacy to the oil industry.

At current prices, Kuwait has been burning about $5 million worth of oil an hour, according to official estimates. "We found 737 wells had been set ablaze, more than we first thought," says Larry Flak of O'Brien, Goins & Simpson, who is coordinating the fire fighters.

Before the crisis, Kuwait had 980 active wells, excluding those shared with Saudi Arabia in the Neutral Zone.

The Kuwait Petroleum Co. now says that it has begun to pipe crude oil at a rate of 25,000 barrels a day into storage tanks, ready for processing at the Mina al-Ahmadi refinery. This figure is increasing daily and is in addition to the 100,000 barrels a day being pumped from the Neutral Zone. Of the four Kuwaiti refineries, Mina al-Ahmadi was the least damaged. One was totally destroyed.

By the end of September, total crude production is expected to reach 250,000 barrels a day and, by the end of the year, at least 400,000 barrels a day. Earnings from crude sales will give a welcome boost to the Kuwait Petroleum Co., whose cash reserves of about $15 billion will have been whittled away by soaring first-aid costs.

An optimistic Joe R. Bowden, head of Wild Well Control Inc.'s fire-fighting team, is one of the few men in Kuwait to support the government view that 90 percent or more of the burning wells might be brought under control by spring of next year. Others fighting the fires say it may take years. Red Adair, the leading American fire fighter, told a meeting of the U.S. Senate Environmental Task Force that the wells might burn for another four to five years because of persistent equipment and water shortages.

According to a report to the United Nations by Muhammad Abu al Hassan, the Kuwaiti representative to the UN, total damage to the oil sector has been estimated at more than $100 billion. This includes wells, pumps, gathering systems, gas-oil separators, storage tanks, refineries and downstream plants.

The report states that by the end of May, the number of fire-fighting teams at work was 18 and estimates the cost for bringing each burning well under control at between $1 million and $1.5 million.

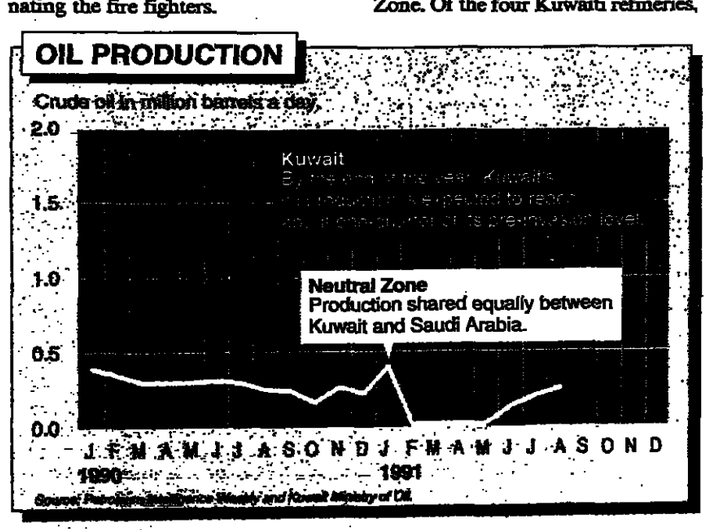
The worst damage has been to the Great Burgan Field, where only five out of 239 wells were unharmed. The field was also heavily mined, and a great lake of oil more than 11 kilometers long and 3 kilometers wide covers the desert up to a depth of 50 centimeters, hiding the mines and other unexploded ordnance.

Saipem, part of the Italian energy group ENI, has been awarded a major contract to repair damaged pipelines in the Ahmadi-Magwa-Burgan fields. Its team of 500 workers has also been constructing a pipeline system to bring emergency water to help fight the oil fires.

The UN report suggests that the total damage to installations on this field alone might be more than $50 billion.

Oil experts have been devising alternative methods to try to recover oil from the many huge lakes forming in the desert. The know-how exists, but the economics of this secondary recovery program are not clear. Some estimates suggest that it could cost at least $3.50 a barrel to recover, thought to be too expensive for the Kuwaitis.

In addition to bringing fire-fighting teams from the United States, Britain, Canada and Iran, Kuwait is now seeking to double its fire-fighting strength with support from China, the Soviet Union, Romania and France.



Before the invasion, the Neutral Zone produced 300,000 barrels a day, half of which went to Kuwait and half to Saudi Arabia. This zone is to the south of the emirate and contains the large Wafra and Khafji offshore fields. Installations, apart from some storage tanks, were relatively undamaged during the conflict.

The Japan-based Arabian Oil Co., which operates in the offshore fields, expects to be pumping more than 250,000 barrels a day by the end of August.

One of the major tasks in the Neutral Zone was to clear the channel approaches to the loading terminals of mines and other explosive devices. The Ras al-Khafji export terminal is now ready for use. The only substantial damage to any of the onshore installations at Ras al-Khafji was a blown-up septic tank and shell holes in some of the buildings.

The onshore fields and installations at Wafra, Umm Gudair and Fuwaris fields present greater problems. The Wafra field was heavily mined, and many of the gathering centers and gas-oil separation plants were damaged or destroyed. The Mina Saud refinery, which had a capacity of 70,000 barrels a day, was totally destroyed.

Getty Oil, one of the onshore operators in the zone, hopes to resume pumping in the autumn, but it has to find a suitable alternative export outlet. It might have to use Kuwait Oil Co. facilities or the Ras al-Khafji terminal.

Before the invasion, Kuwait was producing about 750,000 barrels a day of refined products, most of them for export. Its three main refineries are operated by Kuwait National Petroleum Co., a subsidiary of Kuwait Petroleum Co.

All were closed following Iraq's invasion, but part of Mina al-Ahmadi, which had a capacity of 390,000 barrels a day, was reopened to serve the local market. It managed to produce about 75,000 barrels a day until the middle of January, when it was closed again.

Damage to this refinery was relatively light. An attempt was made to blow up the control room, a crude distillator unit was slightly damaged and there was minor damage to 10 of the 140 storage tanks. The refinery is due to be fully operational at any time, with a possible production of 120,000 barrels a day.

The refinery at Mina Abdullah was severely damaged. The Iraqis blew up $150 million worth of the computer control systems that formed the refinery's nerve center. Pump housing and substations were also destroyed, making it impossible to export products or to transfer them to the nearby refineries at Mina al-Ahmadi or Mina Shuaiba. At Mina Shuaiba, the crude distillator — the refinery's heart — was damaged, as well as much of the ancillary equipment and control systems.

A fourth refinery at Mina al-Zawr, operated by Texaco in the Neutral Zone, was completely destroyed. Apart from the damage to the actual refineries, there was substantial destruction of storage tanks and transfer and loading facilities, both onshore and offshore. Additional damage also occurred to the natural gas and liquefied petroleum gas sector.

Substantial damage was caused to what had been a vibrant downstream petrochemical industry. Plants producing fertilizers (ammonia and urea), salt and chlorine were rendered inoperative and much of their equipment removed to Iraq.

The Kuwaitis will receive a big morale boost with Mina al-Ahmadi coming back on stream. The oil minister has said they may build two new refineries rather than attempt to get Mina Abdullah and Shuaiba fully operational again. Tenders are still apparently being sought to evaluate the cost of repairing the two refineries.

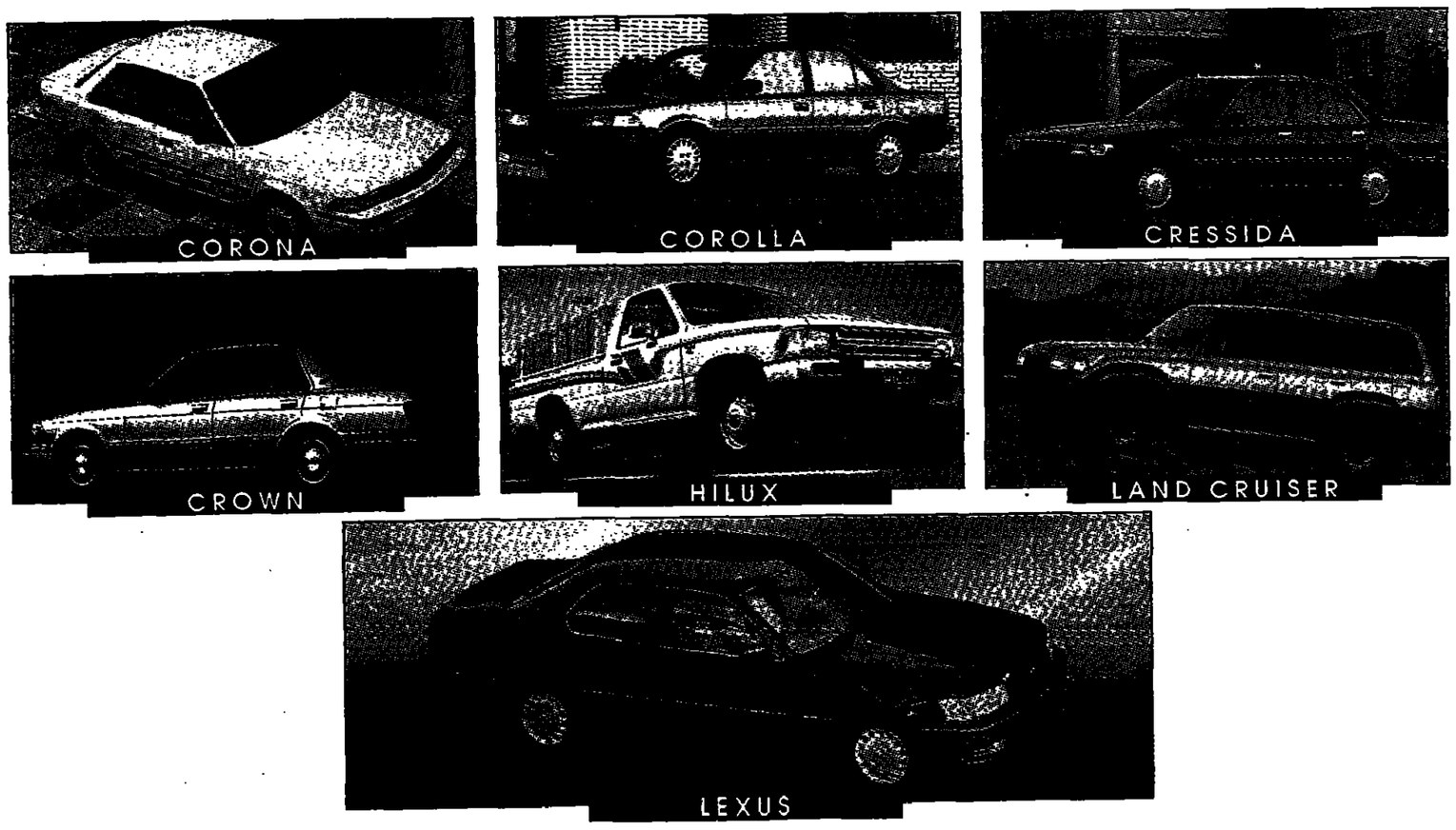
One of the most important aspects of Kuwait's precrisis oil sector was its "oil to wheels" policy. It owns, or has interests in, refineries in Italy (total capacity: 232,000 barrels a day), Denmark and the Netherlands (430,000 barrels a day), plus an additional 70,000 barrels-a-day capacity at third-party refinery operations in Italy and Sardinia.

Throughout the year since the crisis, Kuwait has been able to keep its refinery operations going through spot buying on the international markets and with 185,000 barrels a day coming direct from Saudi Arabia.

Various Kuwait oil officials have talked from time to time about foreign equity financing for petrochemical plants abroad and even for refineries at home.

Lee Voysey

TOYOTA TRIUMPHS IN STYLE, PERFORMANCE AND VALUE



AL-SAYER

AL -SAYER GROUP

TEL: 4816503
TELEFAX:4848610
TELEX: 30187 SHAHNAN
P.O. BOX 485, SAFAT
13005 SAFAT-KUWAIT

TEL:271520
TELEFAX:271884
TELEX: 48008 PRINT EM
P.O. BOX 8765, DUBAI
UNITED ARAB EMIRATES

Committed to quality, always
TOYOTA

LEXUS
A New Division of Toyota

Oil Minister Confident About Growth of Exports

Kuwait could be producing some 200,000 barrels of oil a day by September or early October and begin exporting again by the end of the year, according to the minister of oil, Dr. Hammoud al Ruqbah.

In an exclusive interview at his office in Kuwait in mid-July, Dr. al Ruqbah also disclosed that more than one million barrels of oil have been stored since the beginning of June and that exports are increasing rapidly from the offshore fields in the Neutral Zone that Kuwait shares with Saudi Arabia.

Production of crude oil began at the end of May when two of the country's 18 gas-gathering centers were repaired at the Al-Ahmadi field in southern Kuwait. By mid-July, output was 40,000 barrels a day.

"We are now fixing gas-gathering center No. 11 and hope to have an output of 70,000 barrels a day within a week or two," the minister says. By Aug. 2, he expects production to rise

Minister of Oil Dr. Hammoud al Ruqbah.

to 100,000 barrels a day. "Also, we are hoping to complete work on gas-gathering center No. 2 in early September," he adds. "There is a good chance that we will have 200,000 barrels a day by September or October."

At present, Kuwait's domestic consumption, he notes, amounts to about 120,000 to 130,000 barrels a day. The country has had to import most of its needs, primarily from the neighboring Gulf states, because its refineries were extensively damaged during the invasion.

Fortunately, work is progressing satisfactorily on efforts to restore the Ahmadi refinery, Dr. al Ruqbah reports. "By September," he says, "we will be able to produce and refine all our domestic needs."

Current plans call for the refining of 130,000 barrels a day of Kuwaiti crude at Ahmadi once the repairs are completed. Of this, 30,000 barrels a day will be in the form of gasoline and 90,000 barrels a day for use in the country's power stations.

Work on restoring the remaining capacity of the Ahmadi complex, which produced some 300,000 barrels a day of petroleum products before the war, and the 200,000 barrels-a-day plant at Mina Abdullah will be tendered "in a few weeks or so," the minister says. This will bring total refining capacity in the country up to 400,000 barrels a day, about two-thirds the prewar level. Production will include asphalt to be used locally for repairing and building roads and other products for export.

Progress on restoring crude oil output and on repairing the refineries will also help limit the losses the country has been suffering since the Iraqis blew up most of Kuwait's 900 oil wells during the war. By July 10, 202 wells had been capped, and it was hoped that full output at the important Ahmadi and Magwa fields would be restored by the end of the summer.

In mid-July, only 29 wells were left to be capped in Magwa and 12 in Ahmadi, Dr. al Ruqbah says. Apart from some damage from allied air raids, the destruction of about 600 wells has meant that the country was losing six to seven million barrels of oil, he notes. Industry sources say losses amount to $120 million a day, or about $45 billion a year.

Discussing industry reports that Kuwait's long-term productive capacity and reserves may be severely affected by the oil-field fires, the minister says that initial tests on a well capped in Ahmadi in May showed that there had "not been much change" in temperature or pressure in the underground reservoir.

He adds: "We don't know the effects since then. Nobody can tell what the damage to the wells will be." While measurements could be made of damage caused by smoke or oil spills, "how extensive the damage is to the reservoirs cannot be measured."

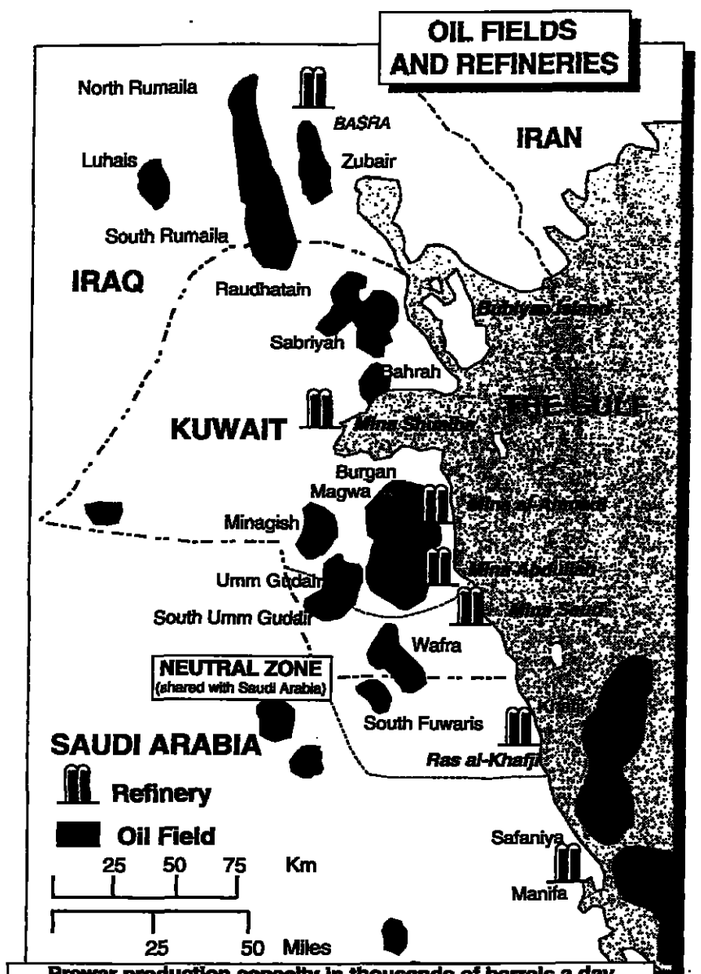
The minister says that offshore in the Neutral Zone, output had risen to 130,000 barrels a day by mid-July. Two export shipments, of 770,000 and 670,000 barrels, had already been made and another seven shipments were expected later in the month, totaling 4.5 million barrels. In addition, Dr. al Ruqbah says that Kuwait had accumulated one million barrels a day in storage since early June.

"We are ready to export when the pipelines are restored," he says. Although the export terminals at Ahmadi South Pier and Sea Island had been totally destroyed, work was progressing rapidly on repairing the North Pier terminal at Ahmadi. "We hope to become an exporter by the end of the year," he says.

Dr. al Ruqbah, who also serves as chairman of the state-owned Kuwait Petroleum Corp., says that its overseas subsidiary, Kuwait Petroleum International, is now making an operating profit. It operates some 6,000 gasoline stations in Europe and refineries in Holland, Denmark and Italy.

Finally, he notes that the Kuwait Oil Tanker Company, another affiliate, had recorded an increase in its profits for the year ending in March despite the war. These had risen to 14 million Kuwaiti dinars ($61 million), compared with 12 million dinars for the 1989-90 fiscal year. The company has been operating its fleet of carriers from Sharjah in the United Arab Emirates since the invasion, having rescued all its tankers.

Pamela Ann Smith



Prewar production capacity in thousands of barrels a day

Kuwait oil fields		Neutral Zone fields		Refineries	
Burgan	1,500	Wafra	300	Mina al-Ahmadi	270
Raudhatain	300	South Fuwaris	5	Mina Abdullah	200
Sabriyah	200	South Umm Gudair	40	Mina Shuaiba	200
Magwa	50	Al-Hout	35	Mina Saud	72
Ahmadi	50	Khafji	200		
Minagish	50				
Umm Gudair	50				
Others	100				

Source: Petroleum Intelligence Weekly

Investment Houses Plan For Difficult Road Ahead

Kuwait's investment banks and companies are gradually resuming their activities in the country and preparing for the reorganization of the banking sector, expected next year.

Although the two main state-owned institutions, the Kuwait Foreign Trading, Contracting and Investment Co. and the Kuwait Investment Co., have substantial assets abroad, they, like the country's commercial banks, have seen their local portfolio values decline markedly at a time when their client base has contracted.

The governor of the Central Bank, Sheikh Salem Abdulaziz al Sabah, said in July that he expects some mergers to be announced by the end of this year. "We have eight Kuwaiti banks currently under supervision,"

'We have to compete,' says one executive

he says, "as well as 28 investment companies and the '3 Ks.' " This was a reference to the two companies named above — KFTCIC and KIC — and to the Kuwait International Investment Company (KIIC), which has a 50-percent private shareholding.

The general manager of KFTCIC, Yousef al Hassawi, says, "I would prefer to merge with an investment company and with a commercial bank." This would allow KFTCIC to obtain deposits that could be directed to its portfolio investments in Kuwait and abroad. During the Iraqi occupation, the institution was one of the first to move overseas and to recommence operations abroad.

"I am pleased that we managed to reoperate out of Geneva," Mr. al-Hassawi says. "Although we had a small staff, we were able to manage all our international business."

KFTCIC's headquarters in Kuwait were reopened in June, although most of the furnishings and equipment had been looted. As a result, the bank expects to be able to publish its full accounts early next year.

KIC moved back to its head office in Kuwait on July 1, although its international operations continue to be managed from Bahrain. Fortunately, it managed to save its mainframe computer, with the loss of only a few personal computers. Telephoning is still a problem due to the destruction of cables near its headquarters, but telex facilities have been restored.

The chairman, Hilal M. al Mutairi, dismisses talk of mergers involving his institution. "No one has said anything to us about mergers," he says. "You cannot improve if there is no competition."

He confirms that there has been a significant drain on the bank's foreign assets and that local property values have fallen, but he feels that the problems have stabilized since the invasion. Nevertheless, he adds that all the financial institutions in Kuwait need the support of the Central Bank.

The Gulf Investment Corp., which has taken a majority stake in the Bahrain-based offshore Gulf Investment Bank, expects to move back to its offices in Kuwait in September despite the loss of its mainframe computer. Owned by the six member states of the Gulf Cooperation Council, it saw its net income plunge to $1.8 million during 1990, compared with $55.3 million in 1989.

Unlike other Kuwaiti investment banks, GIC managed to transfer its assets abroad at the time of the invasion and to avoid the freeze on Kuwaiti assets. In the future, it is hoping to cross-market through GIB. "We're going to have to rationalize our business. We have to compete," says Uwe Jahne, GIC's senior vice president for corporate finance.

In addition, GIC is actively looking at possible acquisitions in Kuwait and at providing finance for reconstruction. "We want to make loans to get business back on its feet," Mr. Jahne adds. There is also the possibility, he says, that the government will support subsidized loans for small businesses seeking to reopen stores and workshops.

P.A.S.

PAMELA ANN SMITH

Yousef al Hassawi, general manager of KFTCIC.

PROUD TO BE PARTNERS IN THE REBUILDING OF OUR COUNTRY

Mohamed A. Kharafi

A NAME YOU CAN DEPEND ON

AT&T

AT&T is proud to be playing an important role in the restoration of telecommunications services in Kuwait.

©1991 AT&T

The July opening of the National Council was a significant occasion for Kuwait.

Planning the First Steps Toward Elections in 1992

The government outlined its immediate policies and priorities when the National Council met for the first time since the war on July 10.

Consisting of 75 members, about a third appointed by the ruling family, the council held its first session a year ago just before the Iraqi invasion. It is now charged with consulting with the government pending full parliamentary elections in October 1992.

Addressing the opening, the Emir, Sheikh Jaber al Ahmad al Sabah, paid

Tribute is paid to 'heroic' women

tribute to the valor of Kuwaitis during the occupation. He described those who had lost their lives as "martyrs," saying that "they would always remain the symbol of giving." All measures would be sought to ensure the safe return of the missing and prisoners of war, he added.

The Emir also praised the role of Kuwaiti youth, whom he called the "fuel of resistance," and recorded his admiration for Kuwaiti women, whom he described as "resolute" and "heroic."

Outlining the government's intentions, Crown Prince and Prime Minister Sheikh Saad al Abdullah al Salim al Sabah reminded his audience of the conference of Kuwaitis held in Jeddah, Saudi Arabia, during the occupation. At that meeting, representatives of all sections of the Kuwaiti populace pledged their support in return for the restoration of the 1962 Constitution.

Sheikh Saad said reconstruction would require "serious and sincere work" and the cooperation of all the people of Kuwait. Such cooperation, he maintained, was a "national duty" and formed the basic foundation for the people's participation in government.

On the issue of the population structure, the Crown Prince said a balance was no longer simply "a social goal, but an inevitable necessity," a reference to the government's stated aim of dramatically reducing the role of nonnationals in the country's society and economy.

"Work has already begun," he said, "in clearing the country of the evil elements which constitute a threat to the security of the country and the safety of its citizens."

On the subject of Iraq, he said the war would not come to an end until the last trace of aggression had been removed from Kuwaiti soil and until the prisoners of war were returned home, all the stolen goods and valuables returned and the country's borders "finally demarcated with guarantees from the international community."

P.A.S.

Shippers Find Ways to Use Ports Damaged by War

With Kuwait's second port, Shuwaikh, opening soon to normal traffic, shipping lines will be able to increase the frequency of much-needed services to Kuwait.

Until now, the only traffic in the country has been in vessels of under 20,000 metric tons using Kuwait's other port, Shuaiba, south of the city, which opened for commercial traffic last March.

One of the regular users of Shuaiba has been the United Arab Shipping Co., which is currently based in Dubai but hopes

Passenger service to bring exiles home

to move its headquarters back to Kuwait by the middle of next year. "We are sending up about 24,000 metric tons of freight every 10 days at present," says the company, which is operating a K-class multipurpose vessel carrying both container and general cargo.

At present, Shuaiba has no working container-handling equipment (the special gantry cranes were damaged or removed), and containers have to be offloaded by mobile cranes or the ship's own cranes. New container-handling equipment is expected to be installed soon.

Shuwaikh's specialized cranes and cargo-handling equipment were severely damaged, making it impossible for the port to be used by commercial traffic after the war. With preliminary repairs completed and new cranes in place, the port will soon be able to accept services from Gulf ports and farther afield.

The United Arab Emirates harbors have in the meantime become vital feeder ports for lines dealing with Kuwait. The competition is fierce. Abu Dhabi's Mina Zayed, which recently completed a $40-million modernization program, has been offering free cargo-storage space to attract shippers and merchants waiting to send goods to Kuwait.

"I think we are in a very good position to serve shippers and traders who are looking at future opportunities in Kuwait," says an official at the port.

In Dubai, where Jebel Ali and Port Rashid have been merged into one port authority, making it one of the largest free ports in the world, the absence of red tape has attracted many companies and shipping lines. More than 130 companies formerly based in Kuwait have moved to Dubai (some have also gone to the port in nearby Sharjah) because of the efficiency promised by the local authorities.

The biggest group that has moved into Jebel Ali is U.S. Bechtel, which is using it as its base to service the reconstruction of Kuwait's oil industry.

Ibrahim Al Ghanem, director general of Kuwait's Customs Department, has confirmed that until all of Kuwait's ports are restored to full operations, Jebel Ali will remain the main transshipment port.

American President Lines, which operates a weekly service to Kuwait, has a container freight station at Port Rashid that includes bonded warehousing. John Bowe, the line's managing director for the region, says he is finalizing plans to increase capacity on the weekly service to Kuwait. "I think we can offer shippers and consignees the best combination of speed, space and flexibility that they need during this intensive period of rebuilding Kuwait," says Mr. Bowe.

APL operates 23 container ships and several feeder vessels in the Pacific and Indian Oceans and has been a major carrier of troops and supplies to the Gulf. It has had an association with services to and from the Gulf since the early 1970s. At the moment, four container vessels with capacities of 2,500 units each carry cargo from the Far East and North America to the region. One vessel calls at Fujeirah, one of the northern United Arab Emirates, every Friday. The line's feeder vessels then provide a fast weekly service to and from the Gulf ports of Dammam, Bahrain and Kuwait.

"APL is a vital cog in the Middle East economy," says Mr. Bowe, who claims it has been able to meet the ever-changing challenges and needs of its customers.

Companies offering new services to Kuwait are being attracted by the opportunities. One of them is the British-based Gulf Ro Ro, a subsidiary of OT Africa Line. It will offer a regular service every 20-25 days from British and North European ports direct to Kuwait. Specialized roll-on, roll-off vessels will be capable of carrying heavy lift cargo and rolling cargo. *Kintampo*, the first vessel, has already delivered port handling equipment.

General Motors has sold 5,000 cars, pickups and specialized vehicles to Kuwait, which were offloaded at Port Rashid for onward shipment to Kuwait. Up to 160 vehicles at a time are being carried in small vessels, including dhows, and hoisted on to the dockside in Kuwait.

Kuwaitis who are still in exile will be able to return by sea to the city from Dubai once normal passenger services are resumed. The governments of Kuwait and the United Arab Emirates are to cooperate in repatriating some 60,000 Kuwaitis who have been living in the United Arab Emirates since fleeing the country. The plan is for three vessels a day to depart from Jebel Ali, each carrying 1,400 persons and 300 vehicles.

L.V.

Airways Back on Course To Fly the World Again

Kuwait Airways Corporation, which continued to operate during the Iraqi invasion, has completed its emergency recovery operations in Kuwait and is now ready to expand.

A new headquarters is planned, routes to Europe and Asia are being restored and multimillion-dollar orders to replace

Orders planned for 27 new jet airliners

and upgrade the state airline's fleet are in the pipeline.

The airline's commercial director, Sheikh Talal al Sabah, said in an interview at his makeshift office in Kuwait that plans to build new headquarters near the international airport are now complete and that the complex should be open by the middle of 1993. It will replace the premises destroyed during the war and enable the airline to play an important role in the country's medium- and long-term reconstruction program.

By mid-July, Kuwait Airways was already operating four flights a week to London and three a week to New York. Daily London operations from Kuwait were planned to begin in August, along with service to Frankfurt, Paris, Rome and Tehran. Other routes, to Dacca, Colombo, Delhi, Bombay, Manila and Bangkok, were due to reopen in September.

Until early August, the airline's flights to and from Kuwait were limited. This was partly because of the extensive destruction of its facilities in the country, the theft of 15 aircraft (valued at $692 million) by the Iraqis and the loss of its local staff. But the airline also had to close the airport at night to allow for repairs to the runway and the installation of navigational aids carted away by Iraqi troops or

Ahmad H. al Mishari, chairman and managing director of Kuwait Airways.

damaged in allied air raids.

The reopening of the airport on a 24-hour basis will allow Kuwait Airways to move its operational base from Bahrain back to Kuwait and the resumption of service on former routes, Sheikh Talal says. In June, the airline's chairman and managing director, Ahmad al Mishari, announced plans to acquire up to 24 Airbus Industrie aircraft and three new Boeing 747-400 extended-range aircraft. Deliveries are set to begin next year and to be completed by 1996. Finance for the multimillion-dollar orders is being drawn from the airline's own resources, reducing the need to rely on the government's own stretched resources.

Sheikh Talal says that in the meantime the airline is planning to lease several new aircraft. They will include five Airbus 310/300s for medium-range flights and other long-haul craft for European routes.

This will enable Kuwait Airways to play a key part in Kuwait's "Al Awdah" (homecoming) program as hundreds of thousands of Kuwaitis still abroad return in time for the opening of schools this autumn.

The airline completed a major stage of this program when it arranged special flights in May and June to fly Kuwaitis home free of charge in response to a directive from the ruler of Kuwait, Sheikh Jaber al Ahmad al Jaber al Sabah. Some 20,000 citizens were transported each week from Cairo, Muscat, Riyadh, Tehran, Larnaca, London and Geneva.

The corporation's catering facilities, operated by a wholly owned subsidiary, the Kuwait Aviation Services Company, are functioning again, the airline spokesman Abdullah Nafisi reports. "We cleaned the Airport Hotel area near the old catering building, and the chef and his staff repaired the equipment," he says.

Water was brought by tanker trucks, and generators and other equipment were flown in. Before the invasion, the services company had provided about 2.5 million meals a year for more than 23 international airlines operating through Kuwait, including British Airways, Japan Airlines, KLM and Aeroflot.

P.A.S.

A direct hit on the Telecom Center was the toughest test ever of our AXE switch.

A severely damaged building in Kuwait City with gaping holes instead of walls – the entire place filled with junk and rubble. And, on the fifth floor, all by itself, an Ericsson AXE switch capable of full action the minute electricity became available. This was the incredible situation the telecom staffers encountered upon their return after the ceasefire.

The Kuwaiti public switching network, over 90 per cent of which was supplied and installed by Ericsson, proved to be remarkably intact. Of the 20 modern AXE digital switches, 16 were perfectly operable as soon as electrical power was restored. (Two switches were destroyed in a bombed building, one was burned, another was dismounted and gone.)

When the occupation took place, a cellular mobile telephone system designed and installed by Ericsson was nearly ready for inauguration. But during the war most of these installations disappeared or were destroyed. And an existing, earlier system was totally removed without a trace.

The Mobile Telephone System Company (Kuwait's system operator) and Ericsson, began the work of repairing and finishing the project immediately after liberation. Ericsson is giving the highest priority to the replacement of all lost material and completion of the system so that it can be operable as soon as possible.

In its first phase, this new cellular system will accommodate some 20,000 subscribers. It is assumed that about 14,000 mobile telephones that were linked to the old system still exist. These subscribers are expected to join the new system from the start, which means that the new system may soon reach its capacity limit. Preparations are also being made to extend the capacity further to satisfy the future needs of Kuwait.

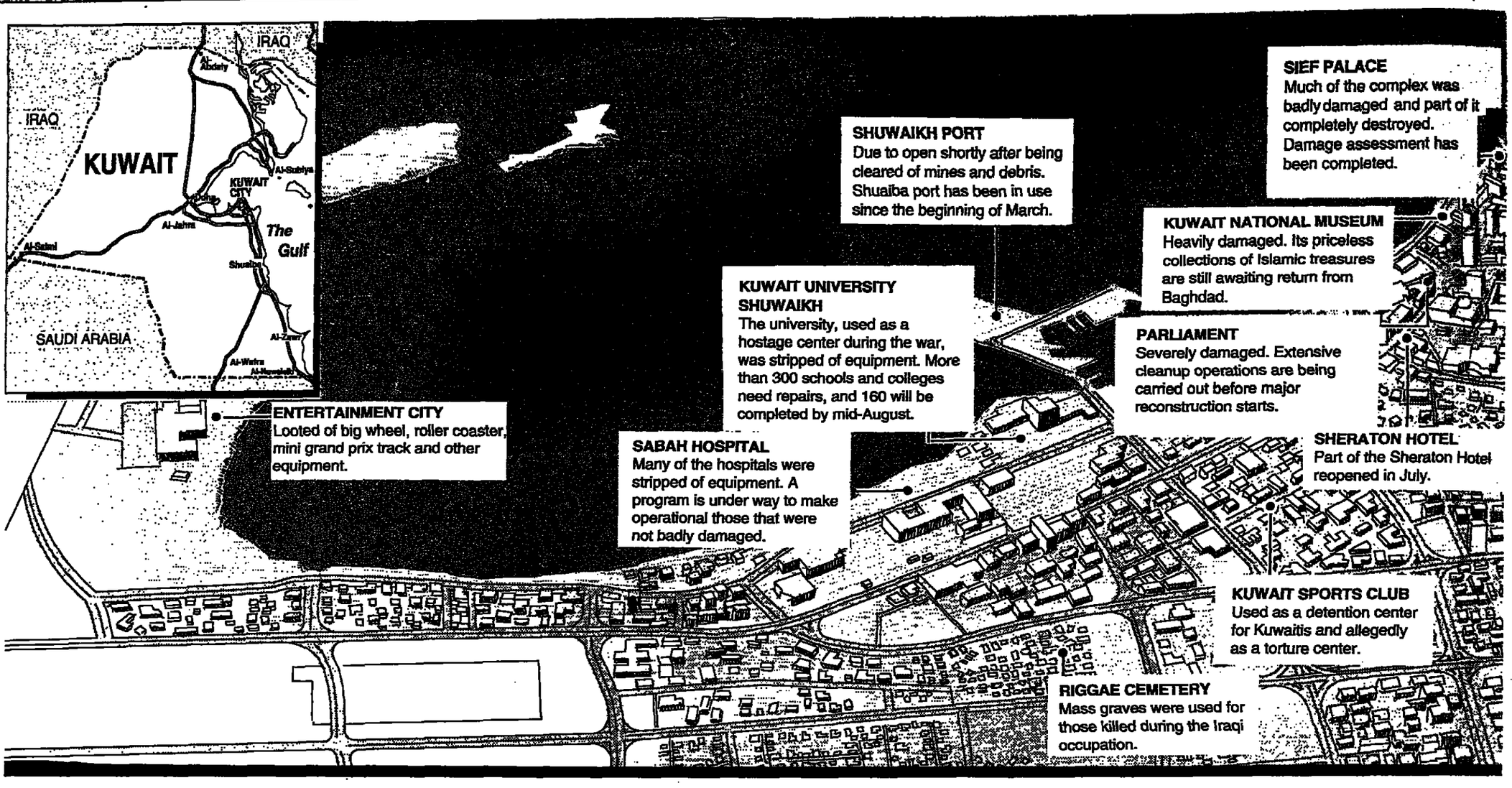
The present situation in Kuwait is not unlike the aftermath of an earthquake. And Ericsson, with its worldwide market coverage and long tradition, has plenty of experience with similar emergencies. One such case occurred only a few years ago in Mexico City, when a terrible disaster required quick and powerful action to restore the badly damaged telecom network.

Being represented in over 100 countries, Ericsson is by far the most international of the world's major telecom companies and probably the most complete. Ericsson provides both in-house know-how and products for all forms of telecommunication, ranging from public to mobile telephony and radio, data communication, IN and ISDN, corporate communications systems, defense systems, network engineering, cabling and net hardware.

The basis for this success is the renowned Ericsson AXE digital switching concept. These modular and powerful AXE switches also contribute to Ericsson's unmatched position as a world leader in mobile telephony.

ERICSSON RADIO SYSTEM AB
S-164 80 Stockholm, Sweden. Telephone Int. +46 8 757 00 00

ERICSSON



Road Back to Normal Business Is Hard — but Rewarding

Most international attention has focused on reconstruction in the public sector, but Kuwait's merchants and businesspeople are also playing a vital role in restoring the economy and generating confidence in a free Kuwait. They are the ones who will import essential consumer goods, spare parts and industrial machinery, reopen shops, offices and warehouses, and resume manufacturing and trading activities.

Kuwait's private sector lost billions of dollars worth of property, equipment, stocks, plants and financial assets as a result of the Iraqi invasion.

This damage to Kuwait's businesses and private industry has not been systematically assessed, unlike the damage to the public sector. But a brief tour of the war-torn country shows a pattern of destruction, vandalization and looting that could only have occurred as a result of a deliberate Iraqi policy of transferring everything of value back to Iraq and ensuring that what Baghdad still regards as its 19th province would never resume work again under independent Kuwaiti rule.

Consumer loans were written off

The destruction and damage is particularly severe in Kuwait's industrial and commercial areas at Shuwaikh and Sobhan. Car showrooms, workshops, garages and factories producing a range of goods, from toiletries and soft drinks to kitchenware and aluminum sheeting, have been destroyed, vandalized and looted. The managerial staff and labor force has been dissipated, and irreplaceable records, invoices, title deeds and computer equipment have been burned, stolen or trashed.

In these circumstances, getting Kuwait back to work again requires Herculean effort and an unshakeable faith in the future, not to mention large reserves of cash and credit. Not all the country's merchant families can fill the bill. According to reports circulating in the business community, some well-known people have decided to stay abroad until the ruling family restores the constitution and parliament. Without political reforms, the theory goes, security cannot be ensured and the risks of restarting businesses are too great.

Others maintain that progress is slow for the simple reason that many merchants are broke or waiting for compensation from the government before rebuilding. Few companies will be able to cover their losses from their insurance because of clauses in their policies excluding war risks.

Saleh al Babtain, director of group finance for the Al-Babtain Group, says, "For us, it was not a question of whether to start again, but when. Some merchants may think of having something other than Kuwait as their base. We had no option but to return to Kuwait."

He says that while in exile the company had taken a calculated risk and decided to plan to return by February 15. It regrouped its management and started operating in Kuwait in mid-March, without power or generators. Company officials had drawn up several alternate recovery plans in exile, but they found the situation on their return "worse than our worst scenarios."

"Our warehouse near Doha was in a military area and totally inaccessible," he says. A new complex that had been opened in Ahmadi for the firm's Nissan car dealership, including a showroom, spare-parts warehouse and garage, was 80 percent destroyed. "We also had to write off our debts and our consumer loans," he says.

By mid-July, however, the group was bringing in cars from Dubai — Citroëns as well as Nissans — and was well advanced on its emergency plans to restore its other businesses, including its Digital computer division.

Mr. al Babtain credits the support of the firm's principals in Japan and Europe and of his local banks, along with the dedication of his staff, for much of the success to date.

"We were always confident Kuwait would be liberated," says A. Narenthiran, commercial director of the Al Mulla Group, "so during the occupation we opened an office in London." One difficulty was the lack of access to records. The company wrote to its principals, including Chrysler and Mitsubishi, and its bankers, asking what records were available outside of Kuwait. "We didn't even have a bank statement," says Mr. Narenthiran. A major problem concerned the

Continued on next page

KUWAIT
IS FREE
GULF INVESTMENT
CORPORATION
IS BACK

From September 1st Gulf Investment Corporation's main office in Kuwait will again be operational, active within all of GIC's normal areas of interest including.....

- Participation in the equity of GCC based companies
- Financial advisory services
- Portfolio management
- Project finance
- Export finance
- Bond and share issues
- Money markets and foreign exchange

مؤسسة الخليج للاستثمار
GULF INVESTMENT CORPORATION
Your professional partner in the GCC.

• Mail: P.O. Box 3402, Safat 13035, Kuwait • Courier: Joint Banking Centre, Kuwait Real Estate Bank Building, Kuwait
• Telephone: (965) 2431911 • Telex: (496) 44002/23146 GICORP KT • Telefax: (965) 2448894 • Cable: GICORP

Reliable Communications Rebuilding the Future

"Within seven days after receiving an urgent request from Kuwait officials, Motorola shipped radio equipment to help restore critical emergency communications needed in the State of Kuwait."

◆

Motorola believes in one universal objective: Total Customer Satisfaction. An objective that is understood in every language.

◆

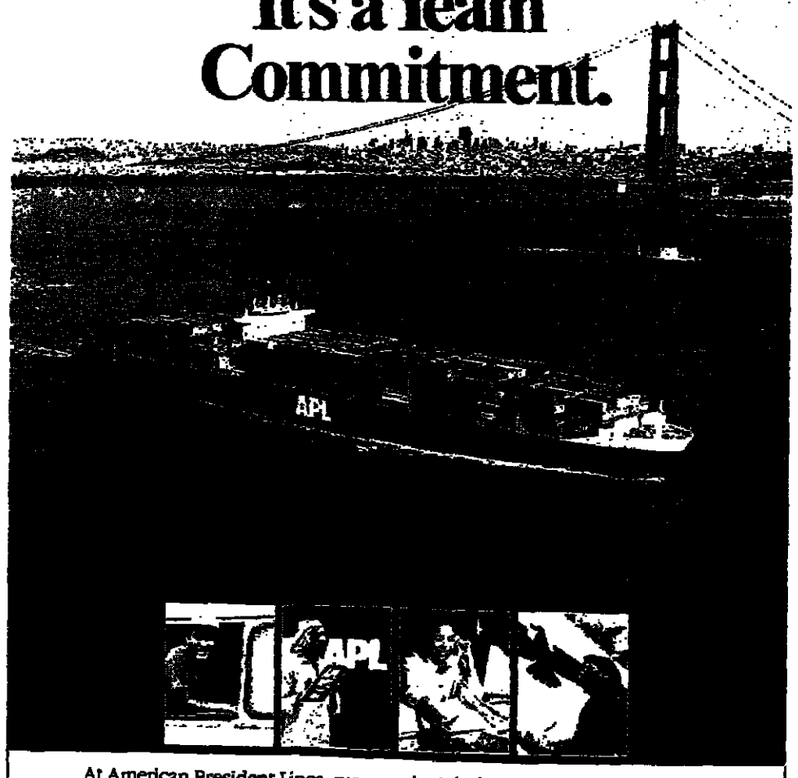
We are leading the way into the future by providing the *Total System Solution* to today's sophisticated communications requirements. From the initial contact to system test and optimization, Motorola is with their customer every step of the way.

◆

Today's problems become tomorrow's solutions using the Motorola *Total System* approach.

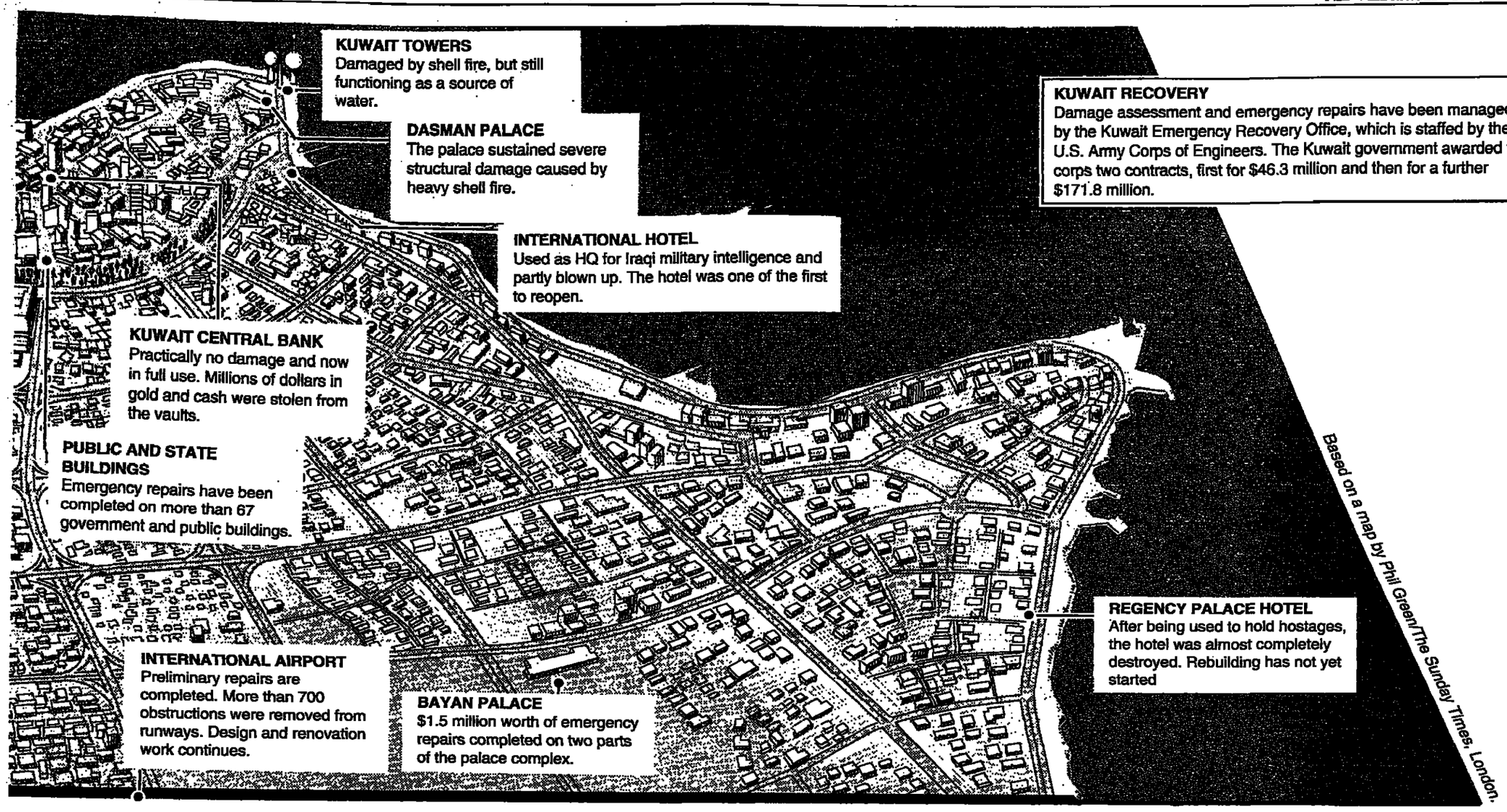
MOTOROLA
Motorola International Group
Land Mobile Products
1301 East Algonquin Road
Schaumburg, Illinois 60196 • USA

On-Time Service. It's a Team Commitment.



At American President Lines, we live by a guiding principle: understanding and meeting the needs of our customers. This commitment extends to every person in our company. It means we go the extra mile for you to get the job done. We continually evaluate our performance to make sure you always get the highest quality services possible. When you want on-time, reliable deliveries and a partner that thrives on excellence, call APL.

AMERICAN PRESIDENT LINES
United Arab Emirates, Dubai: Tel. Customer Service (971-4) 512911
Export Sales (971-4) 512868 Import Sales (971-4) 512887 Fax. (971-4) 529615
Kuwait: Tel. (965) 2450673, 2450674 Fax. (965) 2445650



From previous page

money due from consumer credit loans.

"In fact, the material damage was less important than these other losses," says the group's deputy managing director, Dayal Mirchandani. "Loans were made to many expatriates who did not return. We have lots of promissory notes. Altogether, our consumer credit was worth 28 million Kuwaiti dinars [$95 million]. What is that compared to the loss of a building?"

Nevertheless, by December the group was ready to begin placing orders for its cars, light vehicles and spare parts as well as for plant and equipment needed in their consumer-goods, service and industrial divisions. After liberation, visas were quickly obtained with the help of the government to bring in the company's managers. A skeleton work force was gradually assembled. With virtually no internal telephones working, all calls had to be routed via satellite to London, where the reorganization was being coordinated.

Fortunately, the back-up computer records were found intact even though the group's head offices in Sharq were completely gutted. Shipments of cars ordered before the invasion that had been diverted to Jebel Ali in the United Arab Emirates were reclaimed and transported to Kuwait. By mid-July, the group was expecting its first new shipment of 780 Mitsubishi cars and commercial vehicles. Two of the five automotive workshops and two showrooms had been reopened.

"It is like an aircraft," Mr. Narenthiran remarks. "This month is take-off. Before the invasion, there were 695,000 vehicles in Kuwait. This has dropped to 150,000. Even if the population falls by half, there will still be demand for a lot of cars."

Kuwait Food Company (Americana), which operates one of the biggest restaurant chains in the country and several food-manufacturing plants, is proud of having reopened the first fast-food restaurant after liberation. At a time when oil fire pollution and the lack of power darkened the city, the lights of the Hardee's roast-beef outlet in Shamiya stood out like a beacon of normality, residents report.

"It made people feel the old Kuwait had come back," says Mahmoud El Afifi, the company's general manager in Kuwait. But the efforts involved were tremendous. "Immediately on our return in late March, we sent a car with a mobile phone to the Saudi border. From there our staff could phone orders to our branches in the Eastern Province and in Riyadh. But it was Ramadan and we had to work at night, because our Saudi workers were fasting during the day. We had to truck in generators to refrigerate our food and bring diesel fuel for them."

Fast-food chain provided a beacon

A Kuwaiti driver who still had a tanker was found to transport water from Saudi Arabia. A plane was chartered from Egypt to bring back the company's restaurant employees to clean the premises and reopen the bakeries and meat-processing plants. Electricians were brought in to repair the air-conditioning and electrical equipment.

By the end of April, the company had opened 15 other restaurants, including some of its Chicken Tikka, Al-Samadi, Filfila and Kentucky Fried Chicken outlets. Shops specializing in Arabic sweets were also back in business in time for the feasting at the end of Ramadan. By mid-July, a total of 26 fast-food branches had opened, along with a Sizzler's steak house, two Baskin Robbins ice-cream shops and three other retail stores selling Arabic sweets and pastries.

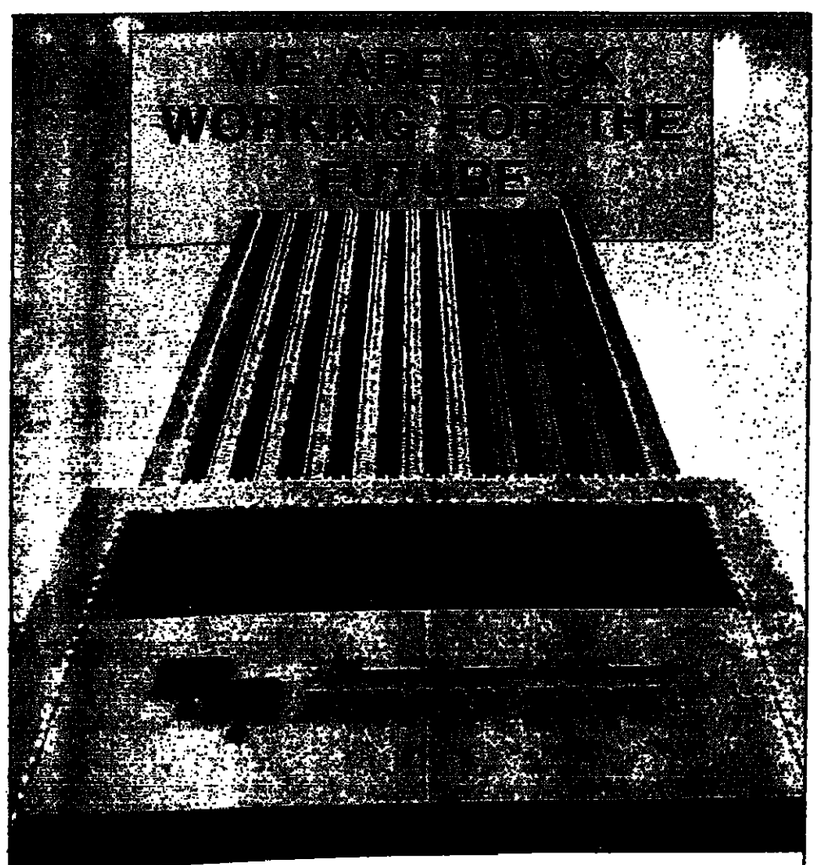
"We kept our staff during the crisis," says Mr. El Afifi. "Some were relocated to Saudi Arabia, and we paid them and their families. We rewarded them and they rewarded us."

Although Dennis A. Stickley, managing director and chief executive of Mohammed Naser Al-Sayer & Sons, had to wait until he and the other Western hostages were freed in December before planning the company's recovery, operations began again in Kuwait in early May.

Working from February out of the group's offices in Dubai, Mr. Stickley chartered a Boeing 727 every week to return staff, vehicles and spare parts while Kuwait's ports were closed. Before he was captured, he managed to pack up records and save the company's computer equipment with the help of a loyal secretary and some of his senior managers and employees who stayed during the invasion. He praises the support of the company's principals and its excellent track record with the banks.

By mid-July, the company had 1,400 Toyota cars and vehicles in stock and another 1,500 on order from Tokyo. "We've sold everything we can get until the end of August," Mr. Stickley said in mid-July. "We sold 800 yesterday alone." The group's confectionery business and travel company are also back in operation, and a contract has been obtained for the supply of Bedford trucks, an agency Mr. Stickley has obtained since his return.

For Kuwaitis, the skill and determination of these merchants and business people has meant a resumption of hope for the future as well as a gradual end to the deprivations suffered during the occupation. For the companies that have taken the vital step of resuming operations, the rewards could be substantial, both in terms of good will and market share. What remains to be seen now is how many other Kuwaiti firms will follow their example. **P.A.S.**



As Kuwait embarks on a new age, we are pleased to announce that business is back to normal at The Burgan Bank.

All systems and personnel are in place, ready to serve the domestic and international financial markets as the reconstruction of Kuwait begins.

A strong future lies ahead and we're back working for it. Stronger than ever.

Burgan Bank
Ahmed Al Jaber Street
Tel.: 2438000 (20 lines)
Cable: BURGANBANK
Telex: BURGANBANK KT.
General: 23309, 22730, 22767, 23105, 23176
Dealing Room: 23152, 23159, 23163
Fax No.: 2461148

بنك برقان
BURGAN BANK
Working for the future.

AL BABTAIN GROUP

Contributing to the Rebuilding of Kuwait

AUTOMOTIVE & INDUSTRIAL DIVISION
Cars, Trucks, Buses, Cranes, Spare Parts, Tyres, Oils, Batteries

COMPUTER & ALLIED PRODUCTS DIVISION
Suppliers of both Hardware and Software Problem Solving to both the Public & Private sectors

MANUFACTURING DIVISION
Paint & Plastics manufacture
Aggregate extraction and crushing
Body, Chassis & Trailer manufacture

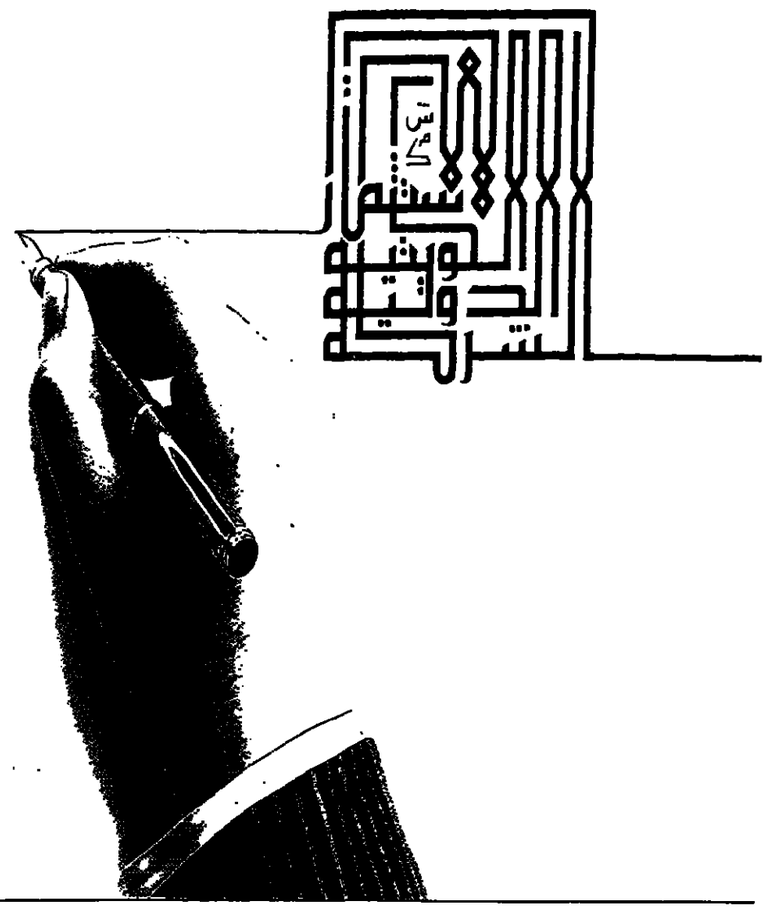
JOINT VENTURES
Adding value to a widening portfolio of joint ventures and services

NISSAN · digital · INTERNATIONAL · POTAIN · TADANO · DUNLOP · OSHKOSH · GS · Renault · NGK · ESSICK · Veedol · SMITH cem · AURORA TIRE · Rex · ARROW

Al-Babtain Trading & Contracting Co., P.O. Box 766 Safat 13008 Kuwait, Al-Rai District, Ghazali Str. Tel: 4745233/4745498/4745949 Fax: 4713859 Telex: 30166 Babtain KT.

Abdulmohsen Abdul Aziz Al-Babtain Co P.O. Box 2198 Safat 13082 Kuwait, Al-Rai District, 4th King Road Tel: 4719055/7–4719581/4 Telex: 22272 Babtain KT.

IN INTERNATIONAL INVESTMENT, THIS IS OFTEN THE SHORTEST DISTANCE BETWEEN TWO POINTS.



No-one with a serious interest in international investment should take our name – Kuwait International Investment Company – at face value.

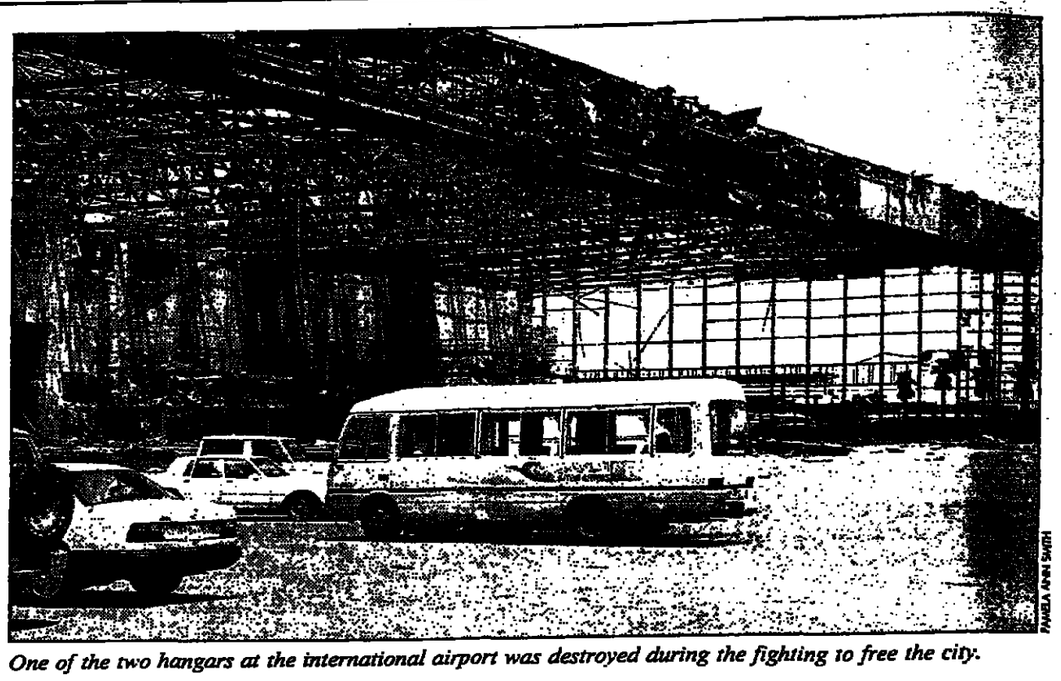
Given the increased scope and geographical breadth of our activities, it is more appropriate to think of us as an international merchant bank, than as simply an investment company. For instance, we manage and underwrite new issues on a world-wide basis in a variety of currencies and enjoy a close working relationship with most of the world's major underwriting houses. We continue to develop our already considerable expertise in international stock and bond markets, in particular our international equity portfolio, which we have substantially upgraded.

If you are considering international investment opportunities, why not contact us? We can point you in the right direction.

Kuwait International Investment Company
Al-Salhia Complex, P.O. Box 22792, Safat, 13088 Kuwait.
Telephone (General): (965) 2438273/9. Telex: 22325 INTVEST KT.
Telephone (Direct): Investment (965) 2464788. Syndications & Banking (965) 2422496/2410626

ADVERTISING SECTION

A pall of smoke from the burning oil wells hangs over part of Al-Ahmadi.



One of the two hangars at the international airport was destroyed during the fighting to free the city.

Planning the Restoration of a Vandalized City

The clean-up operation in Kuwait City is moving from the emergency phase to the recovery phase, according to the U.S. Army Corps of Engineers.

The corps was originally awarded a $43.3-million contract for the first 90 days of the operation. It now has a $171-million agreement for the second, extended phase of the emergency program. "This has been the most challenging endeavor I've ever participated in," says Colonel Ralph V. Locurcio, commander of the Kuwait Emergency Recovery Office, summing up the first 90 days' work.

Acid was poured into cable conduits

Colonel Locurcio arrived in the city after liberation with an emergency recovery unit of 130 U.S. volunteers and 60 Kuwaitis. Since last October, when the unit was established in Washington to make preliminary plans for getting Kuwait's infrastructure up and running again, almost everyone was wrong about what had happened and what needed to be done.

No one foresaw the basic problem that resulted from Iraq's invasion, occupation and withdrawal: The city was "trashed" on an incomprehensible scale.

"It was as though someone had held a rock or acid party in your home and busted the place up," says one American consultant. Water systems were fouled or destroyed; lengths of high-voltage cables were chopped from the cable runs, making it impossible to rejoin the break; acid was poured into communication cable conduits and telephones; fax machines and computers were ripped from their installations.

Major infrastructure damage facing the engineers was confined mainly to power generation and distribution, water, sewerage and telecommunications. The objective of the first 90-day phase was to carry out "essential repairs": restoring water and electricity supplies, restarting international telecommunications, and reopening land, sea and air transportation.

The second phase now being undertaken is to carry out work on public infrastructure "that will speed the return of normal life for the citizens of Kuwait." The unit is looking at the permanent repairs needed for the electrical and water-distribution systems, as well as for schools, public buildings and transportation networks.

During the first phase, the Kuwait Emergency Recovery Office completed 693 damage assessments, and work on another 259 continues. Of the 260 emergency work orders requested, more than 150 were issued. Of these, 124 have been completed and 59 are in progress. Issued work orders are valued at $33.6 million.

The unit's damage assessment group produced the following situation report:

● Public buildings: More than 450 buildings have been surveyed, including structures used for health and food distribution, security, fire departments, public housing, communications, public transportation and schools. Emergency repairs have been completed on 67 buildings, which have now been cleared for use by the Kuwaiti government. Maximum priority is being given to schools to ensure that a sufficient number will be repaired and ready to reopen in the fall.

It is hoped that well over half of the 300 buildings will be finished by the middle of this August. Damage assessments have been completed on more than 300 schools, of which there is only slight damage to about 70 percent. Repairs to 160 schools will be completed by the middle of August.

The Parliament building and the National Museum of Kuwait were heavily damaged by artillery shells and fire and have been undergoing extensive cleanup operations prior to more permanent repairs. Many of the royal palaces and offices were deliberately wrecked, and the Kuwait Emergency Recovery Office has already completed more than $1.5 million worth of emergency repairs to two parts of the Bayan complex. Damage assessments have also been made for the Seif Palace complex. The renovation of state buildings is being managed by the government itself.

● Defense: Following the occupation and the air-land offensive, the defense infrastructure was severely damaged. Nineteen key installations have been surveyed and detailed costings prepared for repairs to a total of 40 key facilities.

● Roads: Corps contractors have repaired 12 kilometers (7.5 miles) of the Nuaisib Road, the main route between Kuwait and Saudi Arabia, which Iraqi forces had trenched and destroyed in an attempt to stem the allied ground offensive. More than 70 percent of all bomb craters on major highways have been repaired. About 2,400 wrecked vehicles have been cleared away, and 800 barriers and Iraqi defensive bunkers removed from more than 200 kilometers of highways. The Damage Assessment Group is currently supervising repairs to the Al-Salmi highway, Kuwait's main north-south route.

● Electricity and power: Three 23-kilometer lines running from the Doha Power Station to Omeriya were the first to be repaired. Contractors have also repaired 40 kilometers of power transmission lines from Al-Zawr Power Station to the Shuaiba substation on the Sixth Ring Road and four other transmission lines. Power to the airport has also been restored. Altogether, some 64 damage surveys have been completed and 3,000 miles of power lines and hundreds of transformers and substations repaired.

● Water and sanitation: six major breaks in the Al-Zawr to Mina Abdullah pipeline have been repaired: three brackish water lines have been upgraded to carry fresh water to increase flows to the West Finatees reservoir. Some 28 damage assessments have been completed. Efforts are now being concentrated on restoring supplies to the naval base at Ras al Qualaya and on temporary repairs to the Mina Abdullah pumping station. Six breaks in the main sewerage system have been repaired, and other repairs will be carried out by government contractors after a final damage assessment on 77 facilities has been completed.

● Airport: The U.S. unit has supervised emergency repairs to the airport's reception area, and corps contractors have completed initial emergency repairs to the main terminal. More than 700 obstructions, ranging from war-damaged vehicles to containers, had to be removed from runways and taxiways. Contractors have been repairing bomb damage to one of the two main runways and to part of the apron. Additional work on the main terminal is also being carried out. Some 22 damage assessment surveys have been completed, and design work for the renovation or reconstruction of key facilities, including hangars, cargo sheds and additional terminal security and departure gates, is in progress.

● Ports: Al-Shuaiba port was opened for commercial traffic soon after liberation. This followed a scan/sonar survey of the harbor and entrance channel, which were cleared of obstructions and mines. Damage surveys have also been completed to the landside facilities at Shuaiba and Shuwaikh. Harbor repair contracts are being handled by the government.

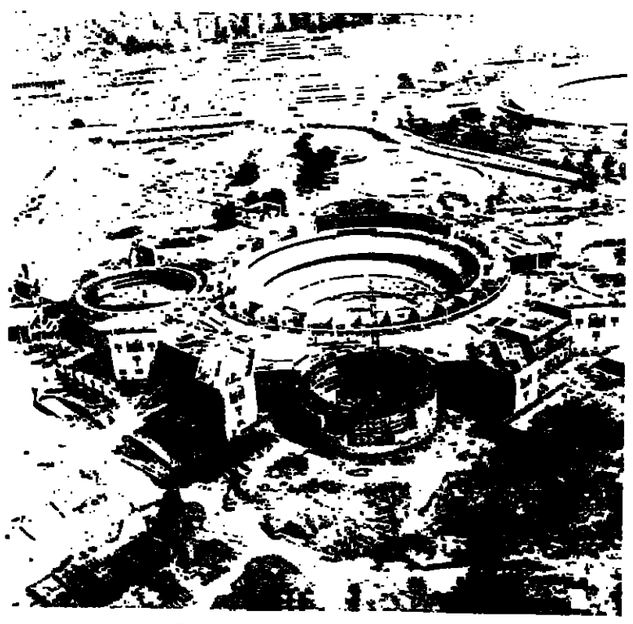
Sami Saad and Co., one of Egypt's leading construction groups with worldwide associates, has been awarded a contract as part of an international consortium to rehabilitate the Om Elhyman district.

Lee Voysey

ARAB CONTRACTORS
OSMAN AHMED OSMAN & CO

We Share Building Africa, the Arab World and Gulf Reconstruction Projects

*BUILDINGS *INDUSTRIAL COMPLEXES
*ROADS *BRIDGES *TUNNELS
*HARBOURS *AIRPORTS *UTILITIES
*AGRICULTURE *DEVELOPMENT & ANCILLIARY SERVICES



Indoor Sports Hall
Cairo Stadium - Nasr City
Under Execution

Head Office:
34, Adly Street, Cairo, Egypt
Telephone: 3935011 - 3935455 Telex: 92239 - 92367 OSMAN UN Fax: 3925728 Osman UN

General Kelly Describes Role of Army

As Kuwait enters the recovery phase of its reconstruction efforts, the U.S. Army Corps of Engineers expects to receive additional contracts, bringing its total business up to $400 million by the spring of next year. U.S. efforts are being centralized, under the supervision of Commanding General Patrick J. Kelly, who heads the Defense Reconstruction Assistance Office in Kuwait.

During the first 90-day period after liberation, known as the emergency phase, the corps received an initial contract from the Kuwaiti government worth $45 million to assess the damage and restore vital infrastructure.

"We hired seven contractors, basically along coalition lines in February and March: four from the United States, one from Britain, two Saudi firms and a Kuwaiti firm, Kharafis," the general says. "By March, we had used up that sum. The damage assessment covered about half the original contract, leaving only $25 million or so for the actual contracting work to begin restoration."

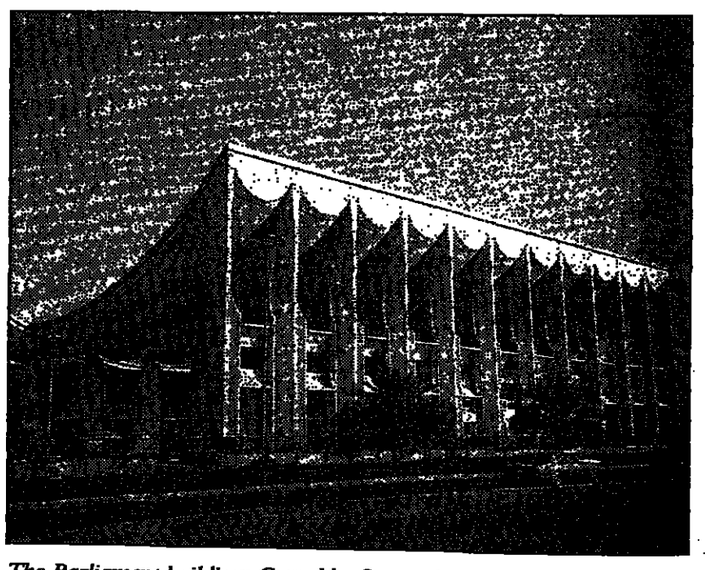
Competition keeps repair costs down

In April and May, he adds, the U.S. Army Corps of Engineers managed to obtain more funds to continue its work through June. "We went from $45 million to $150 million, and by the time we have finished, it will be close to $400 million."

The government assigned various projects covering repairs to public buildings and the restoration of utilities to the seven contractors, including Brown & Root and Blount of the U.S. "As we got more business, we extended their contracts to do more and more work," General Kelly says. The Defense Reconstruction Assistance Office, set up in early March to supervise the U.S. efforts, still works with these main contractors, but General Kelly says competitive bidding is now being initiated to keep costs down.

"In my opinion," he says, "the recovery phase will continue until the end of the year. This effort on the civilian infrastructure side will peak in July, August and September. By the end of the year the ministries will have their people back and be ready to resume their responsibilities."

Already his office and the Army Corps of Engineers, together with the Civil Affairs Task Force, which was operational during the emergency phase, and the Kuwait Emergency Recovery Office, have managed to complete most of the work repairing water facilities and roads. "We picked up thousands of vehicles, removed bunkers, repaired hundreds of craters," the general says. "Except for some critical bridge reconstruction, we will have most of the rest finished by the autumn. All the electricity work will be finished by Christmas."



The Parliament building: Gutted by fire, its interior is to be redesigned by Hellmuth, Obata & Kassabaum of New York.

Work is also proceeding on the airport, which was heavily damaged by allied air raids. Three gates were opened in mid-May, another three are due to open by early August and the remaining six by the end of August.

The Defense Reconstruction Assistance Office and the corps are working on two other important projects, the restoration of the parliament building and emergency repairs to two large Kuwaiti airfields. "The Iraqis burned the Parliament building," General Kelly says. "It was a beautiful building, built by the same Scandinavian architect who designed the Sydney Opera House.

"We started work in April. We have gutted the building, all the debris is cleared, and we expect to start cleaning the whole structure in the next two weeks. There is still a lot of smoke damage. The project is due to be completed in April 1992, including refurnishing work.

"Emergency work on the two airfields — Ali al-Salem and Al-Jaber in the southwest and northwest of the country — is expected to begin in August," the general says.

By then the corps will have completed its designs for a major reconstruction and expansion scheme to begin next spring. The choice of contractors will be decided in coordination with the Ministry of Defense.

General Patrick J. Kelly.

The general adds that there will be a long-term role for the U.S. Army Corps of Engineers. "We will phase out the civilian work, and then remain here for maybe three or four years working with the ministry on the airfields."

P.A.S.

Facing the Daunting Task Of Clearing the Ports

When Captain Abdul Rahman al Nibari, chairman of the Public Ports Authority, entered Kuwait with the U.S. 10th Transport Battalion on March 1, few could have guessed that by August the country's two main ports would be open for business.

Both the main industrial facility at Shuwaikh and the oil port of Shuaiba had been heavily mined, vandalized and looted. Although Captain Nibari had worked in London and in Washington with Kuwaiti officials, engineers and port officials during the war to prepare

Mined, vandalized and full of sunken debris

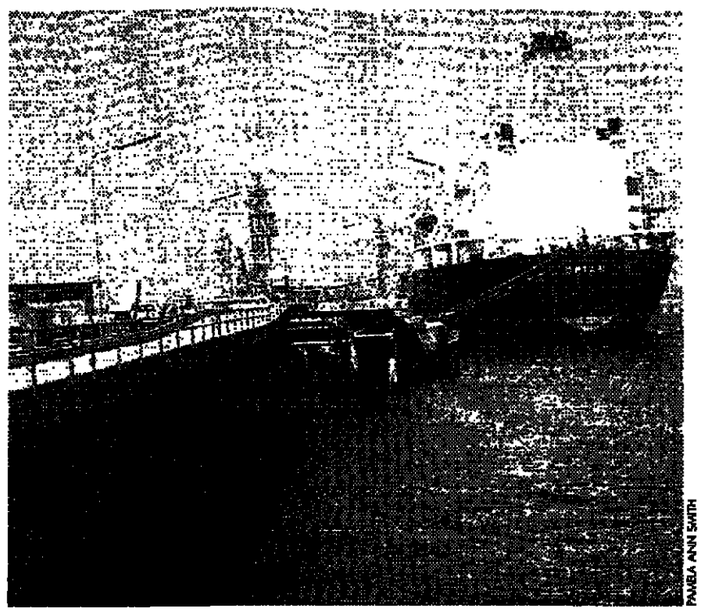
for the day of liberation, he found on his return that the task ahead was daunting.

"We knew that restoring the oil sector would be top priority," he said in a July interview at his offices in Shuwaikh, "so I had to prepare Shuaiba to receive the oil repairing equipment." While the allied navies opened a corridor 12 miles long to gain access to the port, the team he had assembled arranged for a marine survey to assess damage to the quay walls, pilot boats, tugs, ropes, lights, navigational aids, radar and fire-fighting equipment.

Marine pilots and other personnel also had to be located, offices set up and, most importantly, underwater obstacles left from the war removed.

Within 12 days, Shuaiba opened with 50-percent capacity for vessels up to 50,000 deadweight tons, and the work of reconstruction and of bringing in supplies to fight the oil field fires could begin in earnest. By mid-July, capacity had been raised to 90 percent, although the complete destruction of one container crane and damage to three others means that container cargoes must still be offloaded by old-fashioned methods.

Conditions at Shuwaikh port were far worse. "Lots of cranes were damaged and had fallen into the water, and there were sunken boats, cars, forklift trucks and mines," Captain Nibari says. "Buildings had been burned, the conveyor belt systems were wrecked, quay walls and roads damaged, offices looted or left in a terribly filthy state. The marine craft were gone or sunk."



PAMELA ANN SMITH

Shuaiba Port is already open for business.

The Iraqis had even moved the marker buoys to disguise the existing channel. "We worked by candlelight, with no power or water," he says. "The only food we had to eat was rice. I lost a lot of weight."

While the allied forces cleared the port of explosives and removed mines from the roads and harbor areas, his team cleaned and refurbished offices, prepared plans to clear the water of the debris and relocated the vital channel marker buoys.

In early June, a contract was signed for the clearance work, which had been virtually completed by mid-July despite the discovery of some unexpected ordnance. The Public Ports Authority brought in a floating barge, complete with 1,000-ton crane, to lift the sunken boats, while trained Kuwaiti pilots, with considerable skill and bravery, helped to guide the allied frigates and minesweepers to the port.

By the first week of July, a second contract, to supply marine craft (pilot boats, tugs, mooring and crew vessels), was ready to be awarded. Work also began on a tender to clean the warehouses and to repair their doors and locks. Contracts were drawn up with local firms to recruit the laborers needed to help offload cargoes until the port's vandalized cranes could be repaired and re-equipped.

Finally, plans were drafted to re-open the port formally by the end of the month. For the Kuwaiti people, such a development is vital to reconstruction. To date, virtually all essential goods, including cars and trucks, generators, fuels and gasoline, processed foods and household goods, have had to be transported into the country by road through Saudi Arabia, by air at great cost, or by sea through Shuaiba, which has only limited facilities for handling conventional cargo.

For Captain al Nibari, the most important work is yet to come. "I plan to automatize and computerize most of the operations here," he says. "Kuwait will not go back to the way things were before Aug. 2 last year. We have to use the best technology available."

He is planning to dig a new channel at Shuwaikh, 8 to 10 miles (13 to 16 kilometers) long, and to build four new purpose-built container berths. "The dredging alone will take a long time," he notes, "perhaps five years, because you have to go through rock."

Alternatively, he has recommended to the government that it build a completely new, up-to-date industrial and commercial facility south of Shuaiba.

During the next four years, he is determined to retrain Kuwaitis to take their proper place in the ports' managerial and skilled labor force, to make them aware of the importance of giving the best service possible to their countrymen and to plan for a future when Kuwait will have the most advanced facilities and operational systems available. **P.A.S.**

The Challenge of Getting Water to Flow Again

The Iraqi occupation caused severe damage to Kuwait's water-production and distribution system. Getting the water flowing again was one of the top priorities of the emergency reconstruction work, and that has been accomplished.

In March, a British company, Shand Construction, secured a $2.6-million contract for repairs to Kuwait's sanitary and water systems, and a U.S. company, Operation Management International, was contracted to repair the entire sewage system.

The bulk of the pre-invasion water supply came from four desalinization plants, though there is also

British company wins $2.6-million contract

groundwater at Raudhatain and Umm al-Aish. The freshwater system also consists of underground and elevated reservoirs and pumping stations. Most reservoirs were emptied during the occupation but have now been restored to about 40 percent of their pre-invasion capacity. Pipelines between pump stations and reservoirs had sustained varying amounts of damage.

Al-Zawr, the most modern of the desalinization plants, was little damaged in the invasion and is currently the backbone of a patched-up potable-water supply system, providing the emirate with the bulk of the estimated 159 million gallons of water a day it is receiving. The other three power and desalinization plants are at Doha, Shuaiba and Shuwaikh. Doha was badly damaged, but Mitsubishi of Japan has been carrying out emergency repairs, and two of its eight power units are described as fully operational. The control room at Doha East was destroyed. Shuwaikh is currently inoperable, and there is serious damage at Shuaiba.

At the end of May, Acer Consultants of Britain was asked by the Kuwait Ministry of Electricity and Water to prepare a damage survey report on Al-Zawr. Remsdaq, another British company, won a subcontract worth $9 million to design and install a control system at Al-Zawr and its main pumping station, Mina Abdullah. A direct hit there during the war had destroyed the main control center. Weir Pumps of Britain supplied 14 pumps for repair work.

Most of the work by Shand, a subsidiary of the Morrison Construction Group, involved the restoration of water to Kuwait City. Last January, when the prospect of repair work became a reality, the company was given only 48 hours by the U.S. Army Corps of Engineers to prepare all the documentation necessary for its bid. As with all the contracts issued at that time, Shand had to provide its own support systems, land transport, construction equipment, materials and labor. And it had to be mobilized on the Kuwait border within 10 days of being awarded the contract.

Shand's managing director, Ken Tallant, says, "We got the contract and arrived in Kuwait one day after the Americans. One of our big advantages was that we had an office in Al Khobar, Saudi Arabia, and we were able to drive equipment up by road and start working quickly."

Most of the delays in getting Kuwait's systems up and running had been caused by the need to import equipment. Shand Construction found that the Kuwaitis had a considerable amount of equipment hidden away, undiscovered by the Iraqis, including some specialist pipework.

Water supplies are now mostly restored, but there are still many leaks in the system. "These places exist on good maintenance," Mr. Tallant says. "Water is not gravity-fed in Kuwait. It must be pumped, under pressure, and this puts it under strain. There's the odd blockage, but we've been able to move away from emergency operations to maintaining pipework. Normal water pressure is not restored yet, but the emergency is essentially over."

Water has also been restored to the naval base. Kuwait's island territories have not been forgotten. In July, a government-appointed steering committee scheduled a visit to Falaika to evaluate damage to the sanitary system there.

Sanitation presents a different picture. The Kuwait Emergency Recovery Office notes that during the invasion, sewage floated directly into the Gulf, bypassing the pump stations and treatment plants. The office says that as a result of their not being used, "the electrical and mechanical systems in these facilities need major maintenance." It adds that "treatment plants are unable to treat sewage at this time" and that untreated sewage will continue to be pumped into the Gulf for some time.

The U.S. Army Corps of Engineers is completing a detailed system analysis, and the U.S. company Operation Management International, which had a $3-million contract to operate and maintain the Riqqa sewage-treatment works, has now been contracted to repair the entire system. Five pump stations are under repair and six major pump stations are now operational.

A third major use for water at present is for fire fighting. Bechtel, the giant U.S. construction company in charge of rebuilding the oil industry, is having problems pumping the water needed to fight fires. At one stage, Bechtel was reported to have been using water from brackish wells, but overpumping has led to some of these wells running dry. The use of sea water has also caused problems. **Anne Milnes Roberts**

Saipem race to help rebuild Kuwait

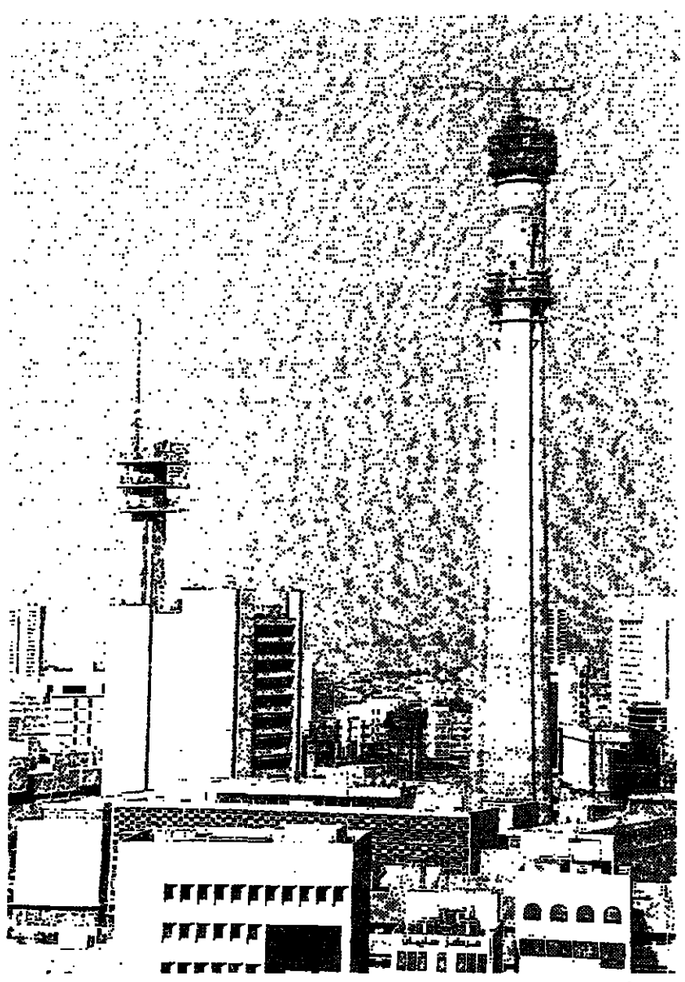
PUBLIGRAF-EMCO-MILANO

Saipem, a company within the Eni Group, is actually repairing and replacing some damaged pipelines in Kuwait. In this way it provides an important contribution to the rebuilding of Kuwait, both in terms of restoring the economy and the environment after the war and resultant ecological disaster in the Gulf.
The contract has been awarded to Saipem by the Kuwait Petroleum Corporation.

In Kuwait, as in the rest of the world, Saipem puts its know-how and operational capabilities in land and offshore drilling plus land and offshore construction to work, to add to and improve the quality of life and well-being of mankind.

Saipem
People, skills, equipment

ADVERTISING SECTION



The communications tower in the city center was nearing completion prior to the invasion.

High Stakes Involved in Telephone Contest

There is intense international competition for the contract for the restoration of Kuwait's telephone system, worth millions of dollars. In the meantime, emergency repairs have made some communications possible.

American Telephone & Telegraph certainly stole a march on its rivals with its provision of international telephone lines out of Kuwait just a day and a half after allied troops had liberated Kuwait City. By providing $14 million worth of free calls — some 600,000 in all — AT&T made the kind of symbolic investment in Kuwait that will be hard for its rivals to match.

Kuwait's telecommunications sustained notable damage in the war. The United Nations report on damage inflicted by Iraq during its seven-month occupation concluded that total losses in the communications sector could amount to more than $1 billion. This was more than 50 percent of the sector's original assets. Communications Minister Habib Hayat says the cost of repairing lost telecommunications equipment may reach $400 million.

$1 billion worth of damage to be repaired

Some telephone exchanges were taken away by Iraqi forces, and at least three exchanges, including one on Falaika Island, were destroyed. The building housing the main international telephone exchange in Kuwait City was devastated by allied bombing, and much of its equipment was looted by the Iraqis, although a modern switching system at its heart survived intact. Media organizations such as the Kuwait News Agency had their telecommunications equipment ripped out or destroyed wholesale. Damage to the information sector, which included stolen and damaged telephone and broadcasting equipment, was put by Information Minister Badr Jassim al Yaqoub at 227 million Kuwait dinars ($770 million).

But the majority of the country's telephone exchanges are intact, and the main international exchange is undamaged, enabling relatively quick repairs to the system. The exchanges have been connected back to the system, but the problem of reconnecting individual phone lines to exchanges remains.

AT&T has carried out most of the original emergency restoration work. What is now at stake is more substantial contracts, including the supply of a new international telecoms center.

Most of Kuwait's exchanges were furnished by the Swedish company L.M. Ericsson, which is very pleased with the survival of its AXE digital switches. An Ericsson AXE switch on the fifth floor of the international telecoms building was still operational when electricity became available, despite the rubble around it.

But the building also housed other exchanges, one of which was looted and another of which was destroyed by the bombing. The viability of the surviving Ericsson exchange is now in doubt, given that part of the building's walls were blasted away, exposing the system to heat and humidity. The air-conditioning system, so necessary for the smooth working of modern telecommunications equipment, is out of action.

There is thus tremendous interest in who gets the contract, which could be worth up to $100 million, for providing Kuwait with a new international exchange. AT&T and Ericsson are the two main contenders for the contract.

Ericsson has already carried out an initial damage assessment of the emirate's telephone network for the Ministry of Telecommunications. It has also reinstated a project to establish a mobile telephone system. The new cellular system is intended to serve 20,000 subscribers initially, including most of the 14,000 people who owned mobile telephones in happier times.

Before the invasion, Ericsson was also negotiating a contract to maintain exchanges and, with maintenance more important than ever, is clearly hoping that its resumed negotiations with the ministry will be successful. Now that the emirate's initial $70-million project for emergency repairs has largely been completed, the emphasis will be on maintaining what is operational, as well as on permanent projects to replace damaged or looted systems or upgrade old analogue exchanges.

The country's shortage of skilled labor, a consequence of the exodus of some three-quarters of the former 400,000-strong Palestinian community, means there is a severe maintenance problem. A team from the Telecommunications Corporation in Bahrain has furnished engineering and equipment assistance.

Various British firms have been involved in work to boost international links. To increase the number of international lines on a temporary basis, Cable & Wireless and Mercury Communications have installed a satellite earth station for the Ministry of Communications. The facility will handle 60 lines via satellite owned by Intelsat and will operate for three months.

Another British firm, Broadgate, has been commissioning mobile satellite communications systems for various corporate clients — and the royal family. France's Alcatel is likely to be called upon to supply temporary microwave connections for a cluster of exchanges in southern Kuwait that were cut off from the rest of the country. In the north, where the Iraqis destroyed much of the major multiple-antennae earth satellite station (and took the rest of it back to Iraq), AT&T has tendered to supply a replacement.

The biggest contract prospects for the British appear to be in the supply of exchanges to replace the destroyed local station at Falaika, a destroyed transit exchange in South Sabahiya and three other local exchanges — at Abdaly, Umm al-Haiman and Wafra — destroyed during the Iraqi occupation and allied liberation. GEC Plessey is seeking these contracts, but France's Alcatel is also competing for the Umm al-Haiman job. At least one local exchange is being supplied by AT&T.

John Roberts

Priceless Treasures Still on Missing List

Fears are growing in Kuwait that some of the priceless treasures stolen by Iraq from the Kuwait National Museum may never be returned.

Although the UN Security Council has demanded that Baghdad return all the museum's objets d'art and artifacts before sanctions can be lifted, reports are growing that President Saddam Hussein has given to his generals and senior advisors jewel-encrusted daggers, centuries-old Korans and antique carpets looted from the museum.

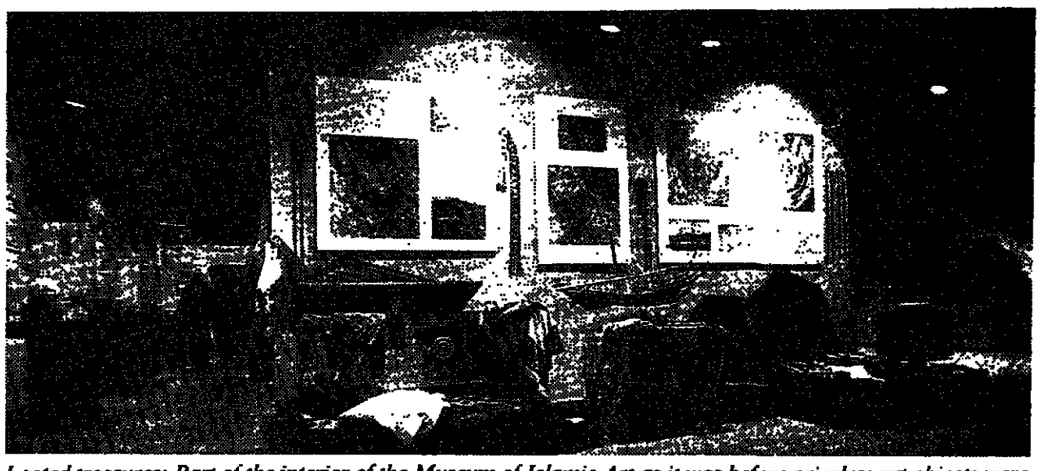
The museum contained invaluable displays of antiquities in its section on Kuwait's history and archaeology, a display of contemporary paintings by Kuwaiti artists, 13,000 books and, most importantly, the collection of 20,000 Islamic and Arabic objets d'art assembled over many years by Sheikh Nasser Sabah al Ahmad al Sabah and his wife, Sheikha Hussa Sabah al Salem al Sabah, who served as director of the collection.

Consisting of Koranic manuscripts; mosque inscriptions; works of art in wood, glass, ivory, metal and precious jewels; textiles; carpets; calligraphy; tiles; and medical instruments, the collection spanned the seventh to 19th centuries and Islamic culture in Spain, Italy, the Arab world, Turkey, Central Asia, India and China.

The UN envoy negotiating with Iraq for the return of the treasures, Richard Foran, said in July, "We are finalizing talks with the Iraqis and are in the process of arranging for the return of the museum pieces," but museum officials say that their own reports from Baghdad indicate that the Iraqi government is now claiming that many of the objects were either destroyed in the fighting or stolen before their arrival.

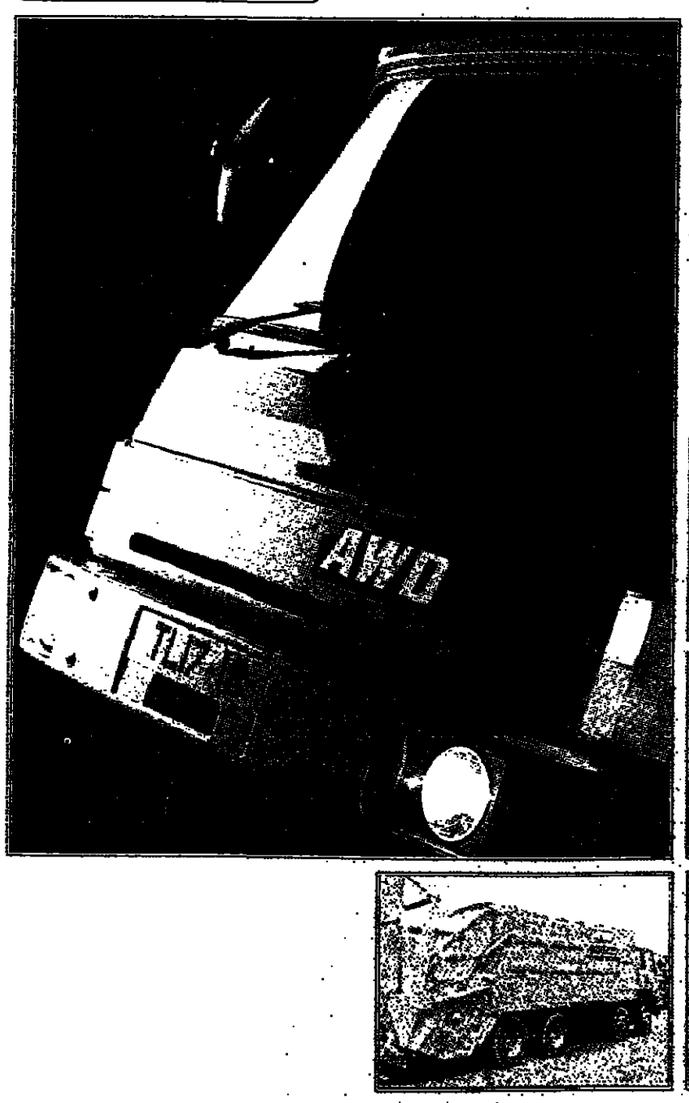
Witnesses near the museum at the time when the Iraqi troops arrived, however, say it would have been impossible for any civilian to have entered the museum without permission from the Iraqi military.

P.A.S.



Looted treasures: Part of the interior of the Museum of Islamic Art as it was before priceless art objects were removed by the Iraqis.

AWD
TRUCKS



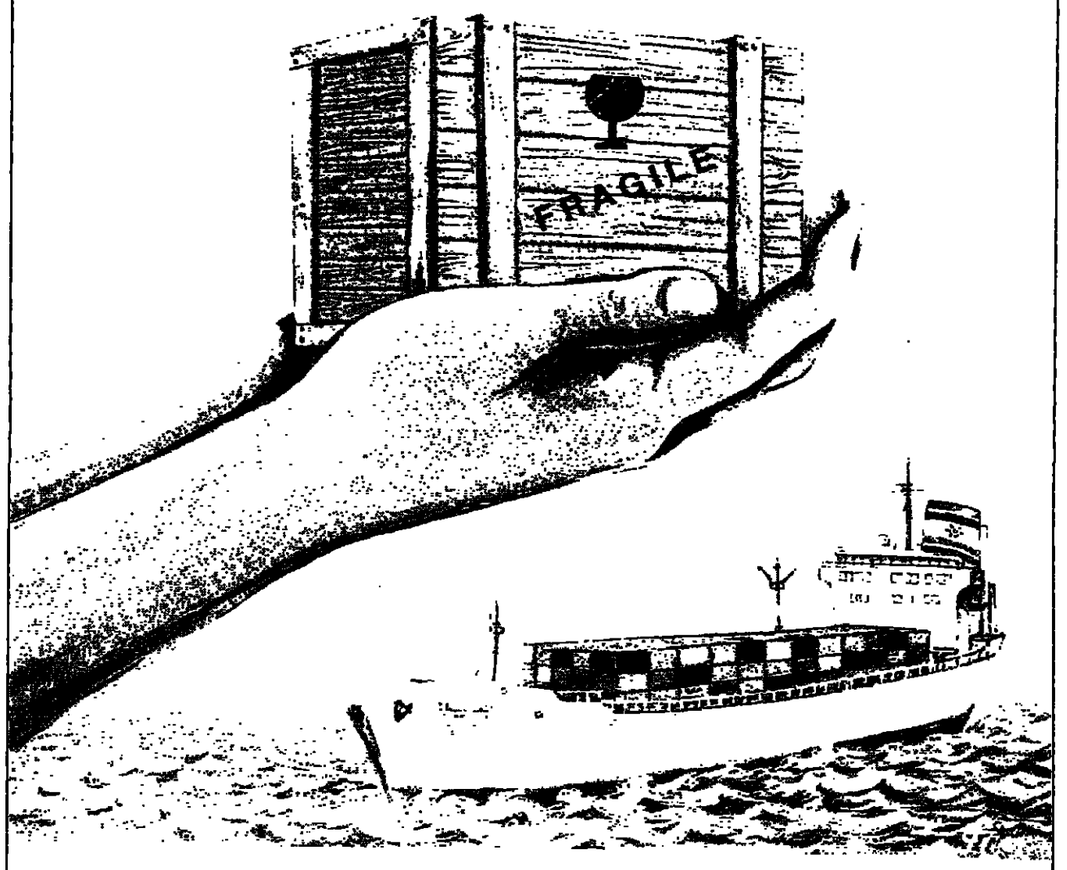
AWD Bedford Trucks are renowned for their reliability under the most severe operating conditions - over 30 years of experience in the production of high quality domestic and military vehicles ensures that any AWD Bedford truck will be strong enough for the task.
At Bahrah Trading we have the specialist experience to match the strength of the AWD Bedford vehicle with an enormous number of special bodywork options, from the 6x4 tipper to highly sophisticated refuse compaction and street sweeping units.
There's a great choice of engine, gearbox and final drive options to suit any Municipal, Industrial or Military requirement, and, as sole distributors for Kuwait, Bahrah Trading is ready to specify AWD Bedford Trucks to meet the most arduous conditions.

BAHRAH TRADING

TEL: 4816503
TELEFAX:4848610
TELEX: 30187 SHAHNAN
P.O. BOX 485, SAFAT
13005 SAFAT-KUWAIT

TEL:271529
TELEFAX:271884
TELEX: 48008 PRINT EM
P.O. BOX 8765, DUBAI
UNITED ARAB EMIRATES

SAFE...
EVEN IN TROUBLED WATERS



شركة الملاحة العربية المتحدة ش.م.خ
UNITED ARAB SHIPPING CO. (S.A.G.)
Committed to serve the Arabian Gulf.

CITY	Dubai	Abu Dhabi	Manamah	Doha	Al Dammam	Jeddah	Riyadh	Kuwait	Muscat	London	Tokyo	New Jersy
TEL	218222	775750	291291	322158/9	8328734	6695440	4786647	4842160	714221	017023410	5878923	9082728600
TELEX	49799	23270	9049	4416	801331	603254	402384	2217622018	5220	915184	22446	219219

For Pupils, a Lost Year And a Wrecked School

Getting Kuwait's educational system back to normal is one of the government's first priorities. Most students and pupils have lost a full year of study, and their families are deeply concerned that no more time be lost when the academic year begins this month.

Given the government's determination to increase the employment of its own Kuwaiti nationals, both vocational and technical training are urgently needed, especially to enable Kuwaitis to fill the posts vacated by non-Kuwaitis.

A report prepared by the UN this spring on the results of the occupation highlighted the extensive damage done to the country's schools, many of which were commandeered by the Iraqi troops to serve as neighborhood command centers.

Thousands of volunteers help with the cleanup

"Almost every school suffered from occupation and ransacking," the UN experts write, adding that 15 percent of the schools had been burned by fire or explosives. The report says that virtually all school buildings have been defiled and have suffered minor damage to electrical and plumbing systems. All modern furniture has been taken from classrooms and offices. Books, laboratory equipment and teaching supplies were looted, vandalized and destroyed.

Even where the damage was less extensive, the removal of rubbish left by the departing Iraqis, the clearing of play areas and the cleaning of the premises were extremely time-consuming.

The U.S. Army Corps of Engineers appointed two U.S. contractors, Blount & Brown and Root, to carry out essential repairs once the schools had been cleared of mines and munitions, but much of the work has been organized locally, partly through a Kuwaiti company, Mohamed Abdulmohsin Kharafi, and partly by thousands of volunteers.

The minister of education, Suleiman al Bader, described in a recent interview the grim conditions immediately after the occupation. "It was Ramadan. Everything was black; there was no power, no water. We had to work by torchlight to assess the damage while the mines in the school grounds were being detonated."

About 135 of the country's 632 public schools were too damaged to repair, but the ministry was able to reopen two secondary schools for summer courses by the first of June. Others have been turned over to women's voluntary committees to accommodate pupils from the kindergarten to intermediate level. In addition, the Teachers' Association has started refresher courses for some 22,000 students in preparation for the formal opening of the school year on Aug. 24.

"What we need now," Mr. al Bader says, "are blackboards, chairs, electricity and water." All of these depend on the full restoration of vital infrastructural facilities in Kuwait.

PAMELA ANN SMITH

Suleiman al Bader, minister of education, one of the few ministers to stay behind throughout the crisis.

Staffing the schools will also be a problem. Mr. al Bader estimates that the number of teachers needed could be as high as 6,000. The number of non-Kuwaitis available has dropped from 125,000 to 46,000 since the invasion, and although Kuwaitis accounted for 74 percent of the staff in primary schools a year ago, the figure fell to only 33 percent at the intermediate level and 20 percent in the secondary schools.

The ministry is now recalling teachers from abroad, although certain nationalities — including Palestinians and Jordanians — may not be allowed to re-enter. To make up the difference, older Kuwaiti teachers, who were allowed to retire after 15 to 20 years of service, will be urged to return to work, and all university graduates will be asked to apply.

More problematic is the need to compress two years of schooling into one, to make up for the time lost during the occupation. The first term, which runs to Jan. 16, will cover the part missed last year, while the second term, from Feb. 1 to July 27, will concentrate on the current year. Holidays will be shortened, courses such as music and physical education reduced and the school year lengthened into the summer.

Pupils who obtained schooling abroad in exile will be required to sit out the first term, taking vocational training courses in electrical and plumbing repairs and computer studies instead.

Conditions in the country's four technical colleges and four training centers were even worse than in the schools. The UN report notes that the damage in these institutions "showed a degree of thoroughness in the plundering not found in other educational establishments." It adds that it is no exaggeration to say that "99 percent of the technical equipment and new furniture was taken." The value of the stolen items, the UN estimates, could be as high as 22 million Kuwaiti dinars ($75 million).

Dr. Abdul Rahman al Muhailan, director general of the Public Authority for Applied Education and Training, says that what bothered him most was that the Iraqi troops "used our books as fuel, to cook with." Fifteen libraries were sacked, Korans were ripped up and thrown out and four years of academic research were lost.

Aside from repairing facilities and arranging makeshift classrooms, the Public Authority is seeking to replace its staff of 1,200 teachers and 1,800 administrative and technical personnel. By August 10, it hopes to have recruited or recalled 500 to 600 Kuwaitis and 300 non-Kuwaitis, the latter drawn mainly from the United States, Canada, Britain, Germany and Egypt.

This will enable it to begin training again the 8,500 new Kuwaiti applicants and some 7,500 returning students registered at the time of the invasion, most of whom were high school leavers aged between 18 and 22. It will also be able to restart some of its community educational programs.

"I am confident that we will be able to open all the colleges by Sept. 28," Dr. al Muhailan says, "and the other facilities as they are needed."

Arab contractors Osman Ahmed Osman & Co. of Egypt have combined orders totaling $3.5 million to repair the Kuwait University Shuwaikh campus and the Ministry of the Interior. **P.A.S.**

Decades of Research Destroyed by Vandals

Pictures of destroyed buildings, looted laboratories and ransacked offices cannot convey the full scope of the loss. "During the occupation," a UN damage assessment report concludes, "the lifeblood of Kuwait's research establishment was drained. Twenty years of accumulated research data by the Kuwait Institute for Scientific Research and university professors had been taken away, burned or reduced to litter.

Kuwaitis have been especially appalled by revelations of the systematic Iraqi destruction of their scientific and technological facilities, as well as of their university.

Entire university libraries were removed

"The entire libraries of the institute and of all nine university faculties ... have been removed," the report went on to say. The UN experts listed more than 300,000 volumes, 250,000 technical reports kept on microfiche files and 8,300 periodical titles that are missing.

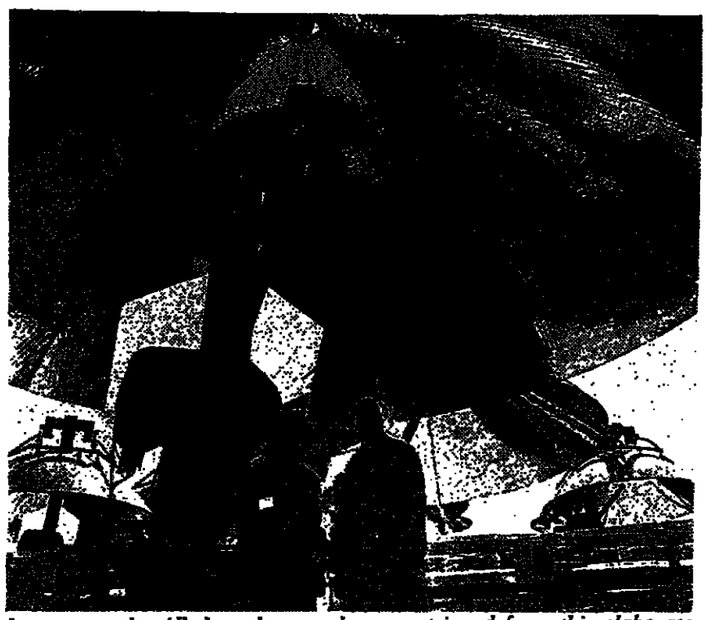
The acting director-general of the research institute, Nazar Hussain, is now busy trying to restore operations from a makeshift office in the institute's old building. Its world-renowned, architecturally distinguished headquarters, which housed the country's most advanced information technology center, international data bases and ultramodern laboratories, was systematically looted and burned.

"Our data bank contained 10 to 12 years of research on fisheries and marine science in the Gulf," Mr. Hussain says, "as well as all the information on Kuwait's flora and fauna, the environment, pollution and the oil sector."

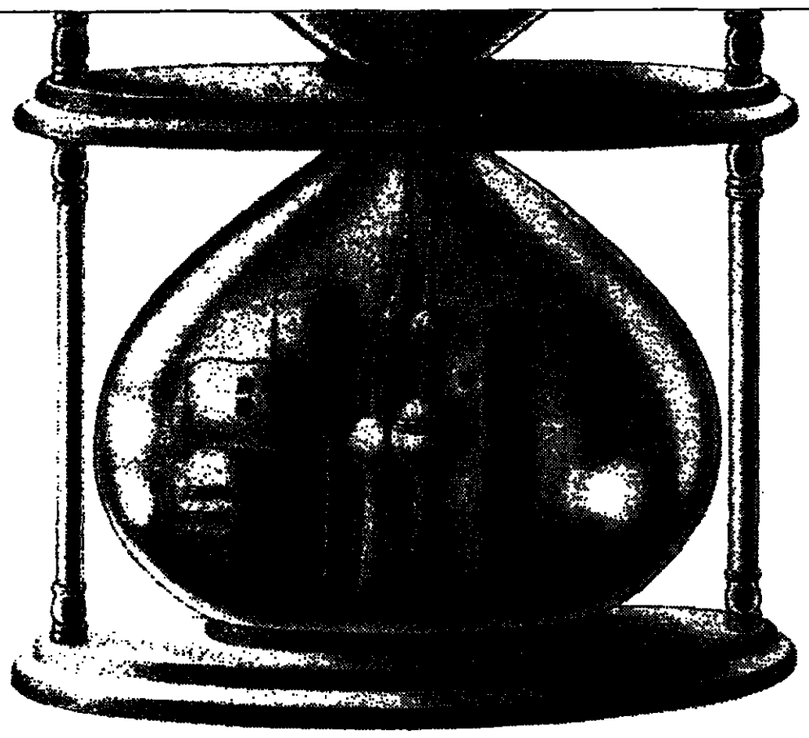
Vital material accumulated by the institute's staff on the economy was also taken away, along with information on subjects such as genetic engineering and marine fish culture technology. "We have lost it all," Mr. Hussain says. "The only thing we have left is the loyalty of our Kuwaiti scientists and technicians and their experience."

Before he can hope to bring back his scientists, technicians and administrative staff, Mr. Hussain must concentrate on rebuilding the institute's infrastructure. At present, some 429 of his original staff of 1,200 are in Kuwait.

In mid-July, telephones were still not operating, mines had to be cleared from the sea and desert to allow researchers to conduct their field studies, and offices and laboratories had to be re-equipped. The work is urgently required, Mr. Hussain notes, if the institute is to begin surveying the impact of oil pollution on Kuwait's environment, its underground water resources and its soil and researching ways to deal with the vast oil lakes being formed around burning oil wells. **P.A.S.**



Lost research: All the solar panels were stripped from this elaborate equipment at the solar research station of the Kuwait Institute for Scientific Research.



KUWAIT CAN'T WAIT

The reconstruction of Kuwait will require enormous financial expertise.
BKME, as one of the most experienced and well-established banks in Kuwait, is back in business.
Ready to help and eager to play a vital role, BKME welcomes back the International business community, today.

BKME
THE BANK OF KUWAIT & THE MIDDLE EAST

London Representative Office
Suite 66 4th floor Warnford Court
Throgmorton Street
London EC2N 2AT United Kingdom
Tel (71) 5889550 Fax (71) 5889570

Kuwait Head Office
P O Box 71, Safat, 13001, Kuwait
Tel.. 2459771
Fax.: 2461430
Tlx.: 22045

New York Representative Office
350 Park Avenue
New York City, N.Y. 10022 U.S.A.
Tel.: (212) 9358133 - 9358134
Fax.: (212) 2234955

AHMADIAH

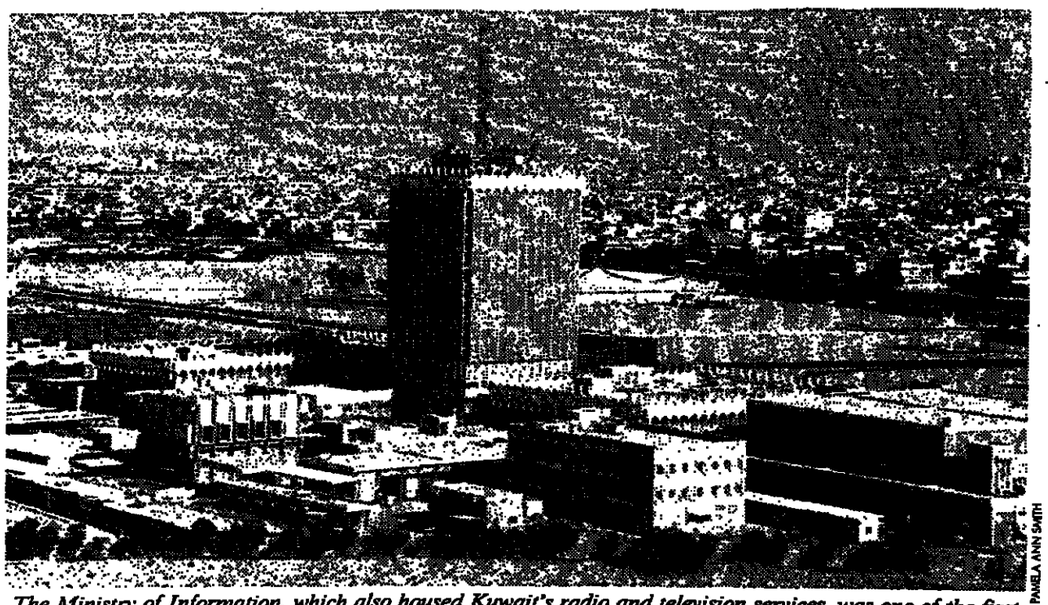
CIVIL ENGINEERING,
BUILDING CONTRACTORS

READY TO MEET THE CHALLENGE

With over 37 years active involvement in construction and commerce in Kuwait, Ahmadiah is committed to playing its part in the rebuilding of Kuwait.
Ahmadiah has built its reputation on a record of guaranteed performance, quality and completion.
A leader in technical innovation, Ahmadiah employs professionals in all fields of civil engineering and building construction:

- COMMERCIAL BUILDINGS
- INDUSTRIAL BUILDINGS
- HOUSING PROJECTS
- STEEL TANKS
- STRUCTURAL STEEL ERECTIONS
- SHEDS & PUBLIC WAREHOUSES
- BRIDGES & INTERCHANGES
- AIRPORT RUNWAYS
- HOSPITALS & MEDICAL CENTRES
- SPECIAL PROJECTS

AHMADIAH
الشركة الأحمدية للمقاولات والتجارة ذ.م.م
Ahmadiah Contracting and Trading Company w.l.l.
PO Box 446, Safat-13005, Kuwait
Tel: 4814477 – 4832781 Tlx: 23814 AHMADIA KT Fax: 4831367 Cable: Ahmadiah/Kuwait


PAMELA ANN SMITH

The Ministry of Information, which also housed Kuwait's radio and television services, was one of the first targets to be blasted by the Iraqi invading forces.

PAMELA ANN SMITH

The Ministry of Health is using the Saud A. Albabtain Center as temporary headquarters.

Ministry of Public Works Explains Its Priorities

Kuwait's Ministry of Public Works could be spending about 50 million Kuwaiti dinars ($170 million) this year on operating costs for reconstruction projects, according to officials at the ministry. Handicapped by a severe shortage of staff, the ministry is faced with a huge task in allocating contracts for restoring the damage caused during the occupation and war.

Priority schemes now under consideration deal with roads, electricity, water, transport and communications, as well as the Bayan Palace, where a summit of Gulf leaders is expected to take place later this year.

Spending plans are being drawn up

"We can use 25 percent of last year's budget for such projects," Undersecretary Ali al Fouzan said in mid-July. Of the 380 million dinars approved for fiscal 1990, 200 million dinars were allocated for capital expenditure, he notes. About 50 million dinars, in addition to other sums, are temporarily available for operating costs.

Proposed spending plans for a new budget have been drawn up and submitted to the Ministry of Finance and are due to be approved by mid-August, he adds. "By law all previous contracts were canceled," he says. "We are now negotiating with our contractors to assess their willingness to resume their old work." They will be asked to submit their requirements in terms of when they could begin operations, the value of the remaining work to be done and the time needed to mobilize manpower and equipment, as well as about their willingness to stick to their earlier contracts. If agreement is not reached, the project would be put out to tender.

Priorities for resuming work on schemes left uncompleted at the time of the Iraqi invasion a year ago are also being drawn up, the undersecretary says. Construction work on the First Ring Road, being undertaken by Hyundai of South Korea at the time of the invasion, was on top of the list, followed by repairs and upgrading of the Sixth Ring Road. A local civil engineering and building contracting company, Ahmadiah, is expected to act as agent for the project, in partnership with a firm from Thailand.

Sanitation and sewerage schemes are also of immediate concern, Mr. al Fouzan notes. Virtually all pumping and lift stations were damaged or destroyed, as were most sanitation equipment and spare parts. The bulk of the urgent work will be done by a U.S. firm that was awarded the main operations and maintenance contract before liberation, covering the first year of reconstruction.

The ministry is also responsible, Mr. al Fouzan says, for the reconstruction of public buildings. The Kuwait Communications Tower is a priority, along with power and water desalinization plants, the VIP lounge at the international airport and rebuilding the ministry's own premises.

Limit on number of foreign staff

Thirty-five of the 50 Kuwaiti experts who worked with the Kuwait Emergency Recovery Office during the first 90-day period after liberation were from his ministry, he notes. In the immediate future, however, the ministry may have problems expediting orders and drawing up contacts. Of the 1,250 Kuwaitis and 4,400 non-Kuwaitis employed before the invasion, only about 1,000 Kuwaiti employees were currently available. Of the non-Kuwaitis, only a maximum of 30 percent will be recalled because of the policy to reduce dependence on foreign labor. **P.A.S.**

Staff Needed to Run Hospitals

The six main hospitals of Kuwait are now working at 50 percent of their capacity, according to Dr. Ali al Saif, undersecretary at the Ministry of Health.

The essential virology laboratory in Shuaiba, however, which worked with the World Health Organization to examine blood for AIDS, polio and other viruses, has been completely looted, as has the country's only kidney dialysis center, in Shuwaikh.

Most of the public-health centers were also ransacked and virtually all equipment stolen, but about half of normal services have now been restored, Dr. al Saif says.

The ministry is now focusing on recruiting sufficient manpower and on getting its own engineering department back to work. The fact that most Kuwaiti doctors remained in the country during the occupation helped the Ministry to restore emergency services immediately after liberation, the undersecretary says. This, together with the advance planning undertaken before the end of the war, enabled hospitals to be staffed and supplied quickly.

"We are now bringing in foreign workers and recruiting nurses" he adds. Staff is being sought from Egypt, India, Pakistan and the Philippines, and contracts are being placed for the full restoration of cleaning and maintenance services.

PAMELA ANN SMITH

Ibn Sina Hospital at Shuwaikh.

Because a lot of instruments and machinery were not properly maintained during the occupation, the ministry is also planning to bring in experts from abroad to help re-establish the engineering department and to ensure the proper maintenance of equipment.

At present, the ministry "is able to cope" with the existing demand. Medical services, Dr. al Saif emphasizes, are "still free for everyone in Kuwait."

Cutting a Path Through the Legal Tangles

Now that reconstruction is swinging into its second phase, various legal and financial issues about doing business in Kuwait are emerging.

One of the most important questions being asked by companies involved with Kuwait is the present position and validity of commercial law. For contractors, there are special problems with guarantees and payments.

This is because of the uncertainty regarding government administration, exacerbated by personnel problems caused by the dismissal of most expatriate staff. In addition, the lack of a budget after the crisis raises problems, though an interim budget is expected to be announced soon.

The conventional system for public-sector contracts no longer operates. Ministries are directly responsible for procurement and services in their particular sector. The fact that the cabinet was arbitrarily changed in April — and there is a possibility of further changes — also raises some doubts about the security of letters of intent and of contracts themselves.

One foreign businessman suggests that the only reliable signatory to any agreement is the Kuwait Central Bank. For traders, the normal letters of credit are being issued through the National Bank of Kuwait, the only commercial bank that was able to continue operations without interruption because of its significant international presence in London.

Changes in the law and practice can be expected, according to Ali M. Radwan, a Kuwaiti attorney, and Howard L. Stovall, a partner in the Chicago office of Baker & McKenzie. In an article in Middle East Executive Reports, they outline the current position and the likely effect of the developing situation from the point of view of commercial law.

These are matters of vital significance to companies now doing business. The following areas are being reconsidered: ● tender rules, ● decennial liability, ● contracting, ● contractual joint ventures, ● commercial companies, ● the U.S.-Kuwait Agreement on Investment Guarantees, ● military sales, ● commercial agency and distributorship, ● the Arab boycott, ● dispute resolution.

Before the crisis, most public-sector tenders went before the Central Tender Committee, which was responsible for the evaluation and award of the tender. But until now in post-crisis Kuwait, normal tender procedures have been ignored. Companies looking at reconstruction opportunities are urged to watch the ad hoc tender procedures of the government and assess the changes and needs for themselves.

Mr. Radwan and Mr. Stovall say they do not consider changes in contract procedures involving the U.S. Army Corps of Engineers to have any wider significance. They point out, however, that tender rules are likely to be re-evaluated, and this may affect the proviso that any foreign company must have a Kuwaiti agent in order to submit bids and that on occasion the foreign company must be in a joint venture with a Kuwaiti partner.

Much of the initial reconstruction work has been done on a cost-plus basis, rather than on a fixed-price contract, as was the custom before the crisis. "In the coming months, given the difficulty of the working environment, the government may be more inclined toward cost-plus contracts," suggest Mr. Radwan and Mr. Stovall.

Contractors seeking insurance for this kind of liability could face difficulties under the existing Kuwaiti Civil Code. "We expect this Kuwaiti Civil Code section on contracting to become increasingly important for reconstruction work in the coming months," say Mr. Radwan and Mr. Stovall. "Among its provisions, the section discusses the supply of work materials, warranties, defects, deadlines for performance, subcontracting, payment, force majeure and termination of contract."

There are also possible difficulties involving the relationship of joint-venture partners and their responsibility to the client in dealing with third parties. As the United States assumes the role of prime supplier and contractor in Kuwait, the 1989 U.S.-Kuwait Protection of Investment Treaty will probably be invoked more often.

Recent events involving non-Kuwaiti nationals suggest that laws relating to commercial agency and distribution representation may be revised. Before the crisis, Kuwait had enacted legislation covering the qualifications for agents and distributors that was basically weighted in favor of the Kuwaiti. Now it is possible that protection for the Kuwaiti will be increased still further if a deal is deemed unfair when it is registered with the Ministry of Commerce.

In the area of disputes procedures, Mr. Radwan and Mr. Stovall point out that Kuwait is a party to the New York Convention on Recognition and Enforcement of Foreign Arbitral Awards but that certain exceptions were made in 1988 following a Kuwait government decree. This excused state entities from agreeing to international arbitration and said their disputes should be settled only under Kuwaiti law.

In the aftermath of the war, it is thought that the government might "become more flexible in its attitude toward foreign arbitration," according to one observer. Like all legal matters at the moment, the government's reaction to possible changes and interpretation of commercial law is difficult to predict. This period of uncertainty is likely to continue for some time. **L.V.**

SHERATON KUWAIT WOULD LIKE TO THANK ALL THOSE RESPONSIBLE FOR PUTTING US BACK TOGETHER FOR OUR 25TH ANNIVERSARY

Our feeling of gratitude is more than can be expressed in mere words... but words are all we have. So to everyone, who has supported us in our time of need and the last 25 years "Thank you.... long live free Kuwait".

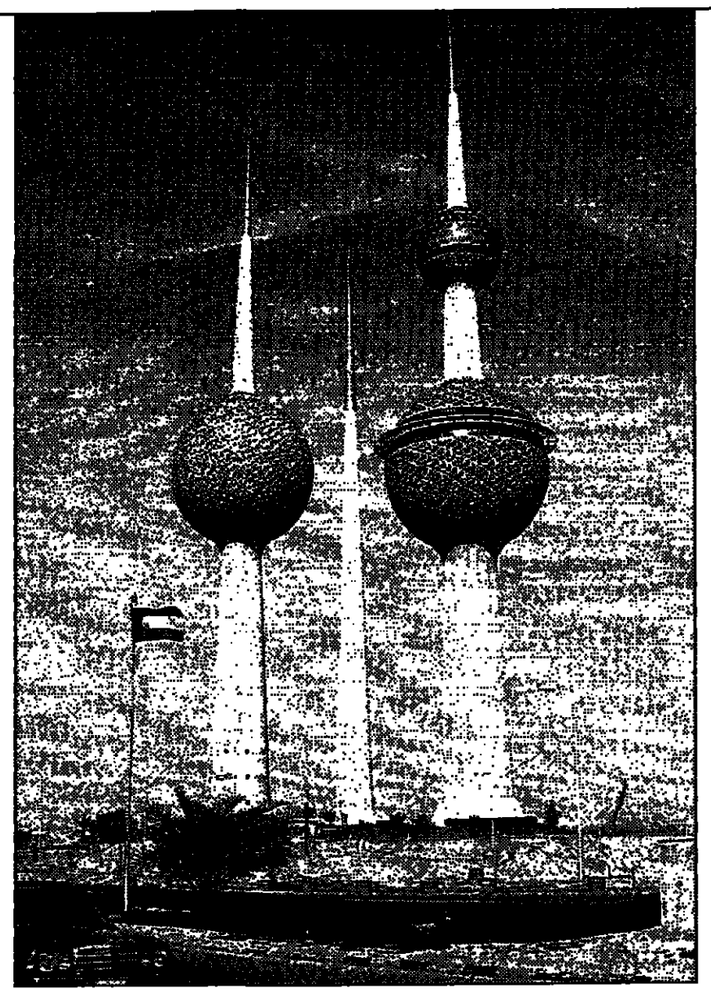
شيراتون الكويت
Sheraton Kuwait
HOTEL
FAHD AL SALEM STREET P.O.BOX 5902 SAFAT 13060 SAFAT, KUWAIT
TEL. 2422055. FAX. 2448032
ITT SHERATON. THE NATURAL CHOICE.

KiSKA
KISKA CONSTRUCTION CORPORATION
HEAD OFFICE
Mithatpaşa 13
Ankara Turkey
Phone (4) 131 11 80
Telefax (4) 131 27 76
Telex 42842 kska tr
BRANCH OFFICES
TURKEY
Osmanlı Sok. 23
Taksim İstanbul
Phone (1) 152 53 00
Telefax (1) 143 43 42
Telex 25 221itmc tr
USA
400 Madison Avenue
Suite 907
New York NY 10017
Phone (212) 752 75 21
Telefax: (212) 752 75 87
ENGLAND
11 Silver Birch Close
Ickenham Middx UB 10 8AP
Phone (895) 52 587
Telefax (895) 52 587
Telex 9312102185 nb g
SAUDI ARABIA
Al Imam Al Lays Street 19
Al Jamiah Jeddah
Phone (2) 687 94 23
Telefax (2) 687 94 23
IRAQ
Almansour 601/15/29 Baghdad
Phone (1) 541 58 20
Telex 3339 kiska ik

"Hospitality is Our Business"
PROUD TO SERVE THE NATION AND OUR GUESTS
FACILITIES
Business Visa, Meeting and Convention Facilities, Business Centre, Japanese Floor, Executive Floor, Extensive Recreation Facilities and Health Club.
فندق كويت انترناشيونال
Kuwait International Hotel
P.O. Box 5986 Safat, 13060 Kuwait
Tel: 2533000 – 2530000 Tlx: 22039 Hiltels KT Fax: 2563797

PAMELA ANN SMITH

The Kuwait Sheraton Hotel, recently reopened, was used by the Iraqi army as military headquarters. Right, the landmark Kuwait Towers.



PAMELA ANN SMITH

Kuwait International Airport is now working again for scheduled flights. In the background is a Kuwait Airways jumbo jet.

Damaged Hotels Recover To Welcome Back Visitors

For weary visitors to Kuwait grateful to find a hotel room, the optimisim of Hermann Simon must seem surreal. The general manager of Kuwait International Hotel talks, of all things, about bringing tourists to the country.

"Perhaps because of the coverage of the Gulf war, tourism may emerge as a new sector," he says. Having initiated desert treks to burning oil wells, Mr. Simon is now looking at new vistas. "We're here. Look, I'm feeding the birds. Nature is returning. To quote Rockefeller, 'Get up early, work hard and late — and strike oil.'"

Desert treks aside, the hotel has already struck gold by catering to the

Hotels able to cater to rush of visitors

hundreds of businessmen, government officials and journalists attracted by the country's efforts to rebuild itself.

The hotel's main entrance was blown up when Kuwaiti resistance fighters targeted a visiting Iraqi delegation, and the eighth floor was severely damaged when Iraqi troops tried to set the building on fire, but 372 rooms are now available, though usually fully booked. The garden pool is open and the La Palma restaurant's buffets are being served again. Most importantly, the hotel can arrange visas for businessmen if it is given 72 hours' notice.

Perhaps the most acclaim for getting the country's hotels back in business, however, should go to the Sheraton's resident manager, Fahd Abu Shaar. Used as a headquarters by the Iraqi military, the Sheraton's main building was completely gutted. Contractors working around the clock managed to reopen 60 rooms in an adjoining wing by July 10, in time to celebrate the hotel's silver anniversary. By mid-August, a total of 200 rooms are expected to be ready for guests, furnished to the hotel's high prewar standards.

Its Italian restaurant on the ground floor, Riccardo's, is also open; the Hunt Room, featuring seafood specialties, and the Al Hamra restaurant, with its Arabic cuisine, are due to open by the middle of August. All rooms are air-conditioned and equipped with telephones. A motorized jogging track has been restored, and cycle machines are available on request. For business visitors, visas can be arranged and facsimile, telex and secretarial facilities are available.

Both the luxury SAS and Regency Palace hotels along the seafront were almost completely destroyed by Iraqi troops during the occupation. But while work has yet to begin on the Regency, managers and staff at the SAS hotel have managed to refurbish 48 bungalows in the former beachside health club and several cabanas alongside the outdoor pool, which is also open, along with the gymnasium and the squash and tennis courts. The hotel's Boom restaurant, located in a restored, exquisitely carved wooden dhow, is expected to be ready for business by the end of August.

Located in the city center, the Meridien expects to be back to normal by the end of August, except for its lobby and mezzanine, both of which were commandeered and extensively damaged by the Iraqi secret service. In July, 85 of its 334 rooms were functioning, along with its rooftop swimming pool, health club and restaurant.

The Holiday Inn sustained little damage apart from the reception area and was open throughout the crisis. By the end of August, as the staff returns, it expects to be able to offer all its former facilities, including its health club, business center, Babylon Gardens restaurant and Vienna Café.

With less need for staff and fewer rooms to refurbish, many of Kuwait's three-star and four-star hotels have been able to offer accommodation since the early days of liberation. The Plaza Hotel, near the Meridien, reopened on March 3 after trucking in equipment and supplies from Saudi Arabia and Dubai. Of its 174 rooms, 160 are operational.

The Kuwait Continental Hotel, near the American Embassy and the Kuwait International Hotel, reopened in mid-April with all 96 rooms available. Each room has international telephone services, television and a satellite TV channel. All major credit cards are accepted.

The Carlton Tower Hotel's 90 rooms, including 20 suites, have been taking guests since early March, and its 250-seat conference and meeting room facilities are also functioning, as is its business center.

P.A.S.

Measuring the Damage To the Environment

Volunteers from the Kuwait Environment Action Team have been working night and day to cope with the huge environmental problems caused in their country by the Gulf war.

A team of some 26 people, mostly scientists, teachers and university graduates, has chartered helicopters to survey marine, air and land pollution. They are drafting reports on damage to areas of particular concern, such as Bubiyan Island and the Magwa oilfield, and conducting tests to determine the long-term effects of the fires and the destruction on people, animals, plants and the climate.

In addition, they have set up an office in the Kuwait International Hotel to provide educational and research material to foreign visitors and returning Kuwaitis.

Keeping the Spotlight on Prisoners in Iraq

Although the United Nations has since included a provision about the release of those captured by Iraq in its resolution No. 678 on sanctions, Kuwaitis are deeply distressed that some 1,800 of their countrymen, plus an equal number of non-Kuwaitis, are still missing, along with scores of Kuwaitis who were stranded in Iraq during the occupation.

World attention, many feel, has been concentrated on the abuses of justice within Kuwait itself while ignoring the plight of these prisoners of war.

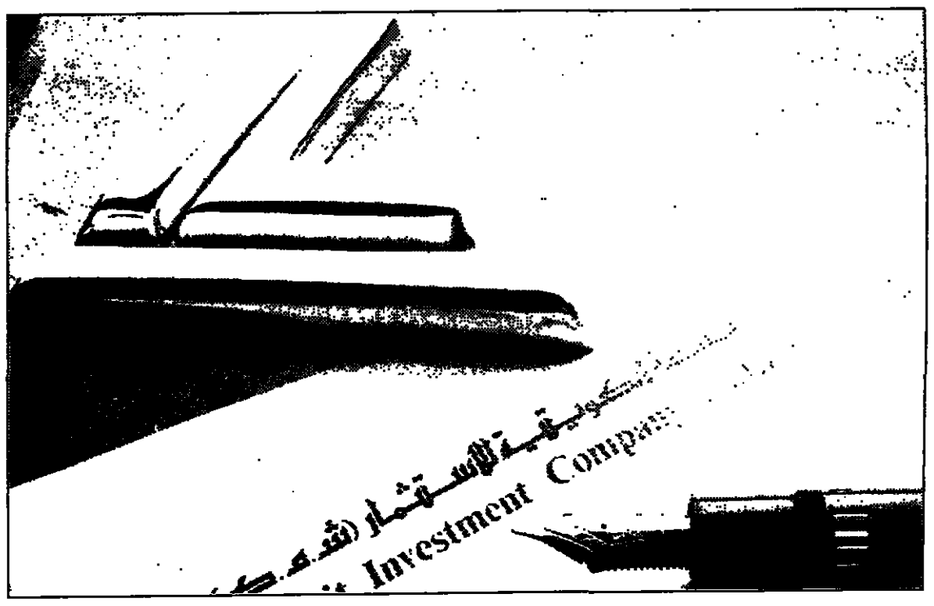
To remind international opinion of the importance of the issue, the Ministry of Justice set up an Executive Office of POWs and Missing Persons in May. Its aims include the gathering and communication of information about those involved, social support for their families and coordination with agencies such as the International Committee of the Red Cross. The ministry hopes that a budget of 1.6 million Kuwaiti dinars ($5.4 million) will be approved by the government later this month to help finance these activities.

Staffed by members of three voluntary organizations — the Kuwait Human Rights Committee, the War Victims Group and the Committee of Solidarity — the Executive Office had succeeded in obtaining the return of three groups of POWs and missing persons through the Red Cross office in Baghdad and the UN by mid-July.

"When you present the Iraqis with facts, they cannot deny them," says Badr al Omar, a former professor of education who now serves as director of the Executive Office.

But while such success has helped to raise hopes that the remainder will be released, there is still a long way to go.

P.A.S.



Kuwait Investment Company (S.A.K.)

Al Manakh Building, Mubarak Al Kabir St. P.O.Box: 1005, 13011 Safat, Kuwait.
Cable: Estithman. Tel: 2438111 Tlx: 22115 Kuwait Fax: 2444896.

Sami Saad & Co.
Engineers & Contractors

Your Efficient Business Partner in Egypt

Main Contractors
* Housing projects
* Touristic villages and hotels
* Water treatment & power plants
* Factories and industrial projects
* Harbours, dams & water structures
* Airports, infrastructure & road construction

Precast Concrete Manufacturers
* Paving blocks & curb stones
* Precast structural units utilized in our "Samcrete building Systems"
* Wall bearing concrete blocks with architectural texture
* Prestressed, precast concrete roof planks & wall panels

Quarry Products Manufacturers
* Graded sand & gravel
* Crushed & graded medium, medium hard & hard lime stone

Commercial Agents
* Earth moving equipment
* Crushing & screening plants
* Asphalt & concrete batch plants
* Construction materials & equipment
* Concrete additives & petrochemicals
* Concrete surface treatment machines

Principal center
9 Mansouria Street, Ahram, Giza
Telephone: 3836105 - 3836106 - 3836107
Telex: 22729 - Fax: 3834545

STEEL BUILDINGS
PRE-ENGINEERED STEEL BUILDINGS AND STRUCTURAL STEEL FOR KUWAIT FROM: BUILDING CARE – BAHRAIN
FAX: (00973) 29 2029
TEL: 291912 – 292291

REFURBISHING KUWAIT
HOW HEUGA CAN HELP

Heuga carpet tiles combine style with performance. For ease of installation and storage, limited wastage and above all flexibility, Heuga is ideal for any refurbishment project – ideal for Kuwait TODAY.

Heuga have serviced the Kuwait market for many years and have stock available **NOW** in Kuwait. We will be happy to discuss your immediate and longer term requirements.

For further information, please contact:

In the Gulf: Vernon Palmer
Tel: 971 - 4 - 370335
Fax: 971 - 4 - 368558

In the UK: Richard Burridge
Tel: 0296 - 393244
Fax: 0296 - 314438

Heuga

barwil

If your company will be involved in transportation of any kind of goods by sea, air or land to Kuwait or any other Middle East destination, please be aware of the following:

Barwil can offer you a chain of shipagency offices throughout the Middle East that can assist you in solving your transportation needs.

Barwil has been in the Middle East for more than 20 years and our offices are staffed with professional people with long experience in the transportation field in this part of the world.

The marketing and sales departments in each of our offices in conjunction with influential local partners in each area will be able to keep you up-to-date on all cargoes to be transported from all over the world, and most important, assist you in securing such contracts.

Combined with Barwil offices on all 3 coasts of the United States as well as Europe and the Far East, Barwil should be able to assist your company to participate in the build up of Kuwait and other places in the Middle East.

Alghanim Barwil Shipping Co. W.L.L.
Alghanim Industries Bldg.
Ground Floor, Airport Road
SHUWAIKH
Kuwait
Telex: Inmarsat-C 49 242 1128

WEEKEND

International Herald Tribune

Pop Radio, in Midlife Crisis, Wonders Who Its Audience Is

by David Browne

NEW YORK — As Wilson Phillips's "You're in Love" booms through the control room of Z100, you would think the New York-area radio station was doing everything right. At its Secaucus, New Jersey, headquarters, the "morning zoo" disk jockeys Gary Bryan and Ross Brittain are bustling around making prank phone calls to executives and rattling off traffic and news updates.

Every so often, Bryan scans the music log — a computerized list of songs he must play every hour — and grabs a pile of tape cartridges, each containing a current hit. Those marked with blue dots indicate songs that, in the words of the show's producer, Mike Opelka, are "really happening." For a Top 40 station, one that plays the pop hits of the moment, life doesn't get any more normal.

But at Z100, officially known as WHTZ-FM, and many other pop radio stations around the United States, things are seriously out of tune. Z100 had been No. 1 in its market from 1987 through the summer of 1989, three times earning a competition-squelching 6.2 share (percentage of the listening audience, based on Arbitron data). By the spring, Z100 was lingering at 3.6, lagging behind stations specializing in oldies, dance pop and soft rock.

Z100's sinking ratings are an indication of the dire circumstances of Top 40 radio, which, when it was the only game in town, used to determine what was a hit record.

Top 40 has experienced slumps before, but now must compete with formats that specifically appeal to fans of rock oldies or hip-hop or hard rock. This fragmented audience, combined with the increasing role of MTV and the aging of the baby boomers, is taking its toll on old-fashioned Top 40.

The national Arbitron/Billboard share for the format went from 14.4 percent in the spring of 1990 to 11.9 percent in the winter of 1991.

And it's not just Top 40. No longer the sole backbone of the music business, pop radio as a whole is having a midlife crisis. Unsure of whether to grab teenagers or baby boomers, station owners have switched formats faster than listeners can switch stations: last year alone, 1,050 stations — roughly one-tenth of all commercial stations — changed formats, lurching from Top 40 (Paula Abdul) to Adult Contemporary (Gloria Estefan), from hard rock (Guns N' Roses) to Classic Rock (the Doors).

As station playlists focus narrowly on one type of music fan, and as stations become more attuned to advertisers than listeners, the result is a significant change in what we hear and where we hear it.

Granted, Top 40 is still instrumental in making hit singles. "Unless radio brings it home, it won't be a hit," says John Boulos, a vice president of promotion and field operations at Virgin Records. But as Steve Kingston, Z100's vice president of programming, says, "The rules have changed — it's a whole new ball game."

Much of the conundrum is radio's own fault. In the '60s, it was possible to hear the Rolling Stones, the Supremes, the Monkees and Aretha Franklin on one Top 40 station in an hour.

Today, with the expansion of the FM band that began in the early '70s, those acts would probably be found on separate stations. The FM dial is sliced and diced into as many different music formats as there are shredded vegetables at a salad bar.

Top 40 — or CHR, Contemporary Hit Radio — blares hits from Billboard's singles chart. For the latest in synthesized dance pop, rap and club beats, there's UC (Urban Contemporary). For primarily white rock-and-roll, there's AOR (Album-Oriented Rock). For mellow soft rock, AC (Adult Contemporary).

If you're not yet confused, each has subdivisions (like Adult Urban Contemporary, which features upscale black performers like Luther Vandross, or Classic Rock, an offshoot of AOR).

There are some formats so new that they have not yet developed acronyms — alternative-rock stations that dare to play bands (Depeche Mode) whose members are under the age of 40.

This fragmentation and segregation has done wonders for advertisers, who love niche marketing. It has also alienated people who would sooner watch MTV than turn the radio dial in search of music they like.

The very idea of a mass-appeal station — one that would attract a wide class and age range with something for everyone — has been lost. Given the cultural fragmentation of the country itself, maybe it was inevitable.

In the '60s the weekly WABC-AM Top 40 show "Cousin Brucie's Saturday Night Dance Party" had a 25 share in New York and reached an audience between the ages of 10 and 60. These days, a Top 40 station would be lucky to get a 5 share with an audience aged 18 to 24.

If you listen to a particular station, the radio world already has you pegged. According to the Radio Advertising Bureau, Top 40 listeners are 18- to-34-year-olds who buy CD players, drink Coors Light beer and drive a Toyota Celica.

Album-Oriented Rock and Classic Rock stations are targeted at 25- to-35-year-olds who drink Corona beer, buy audio components and drive a Toyota MR2.

Those who listen to soft rock on Adult Contemporary stations are 24 to 44 years old, gulp Miller High Life, buy TV sets and drive a Toyota Corolla.

"You have to sell specifics — the whole idea of 'wide' is gone," says Warren Potash, the president of the Radio Advertising Bureau. "The only one who wants to reach everybody is the census."

To reach these specific demographics, radio stations must make sure they are playing exactly the right songs at exactly the right time, reducing playlists to a science.

ONCE songs are selected, many stations use a computer to group them into hourly music blocks; the computer insures that the same artist isn't played twice in a row and that certain cuts are played regularly.

The big hits, called "powers," are played about every two hours. In a technique called "day parting," hits and easy-on-the-ears pop are played in the morning, ballads in the afternoon and hard rockers later in the day and into the night.

Kingston of Z100 says there is no other way for radio stations to compete for narrow demographics. "The alternative is to put a box of records in the studio with the deejays," he says. "But the business is too sophisticated these days for the primitive ways of the past to work."

There is no denying that pop radio still has a few tricks up its sleeve. A year ago, it would have been unimaginable that the Top 40 hits would include "Losing My Religion," E. M. F.'s "Unbelievable" or the Extremes' Beatlesque ballad "More Than Words."

But that's just what happened. It might be rash to expect a return to Top 40s most recent golden era of 1983 to 1985, but such loosening up does mean that listeners will be able to hear a little variety — or at least something other than the thump-thump of a drum machine — on their local stations. In radioland, this is considered progress. ■

David Browne, a writer at Entertainment Weekly, wrote this for The New York Times.

Bob Sacha for The New York Times

Gary Bryan, left, and Ross Brittain, disk jockeys at the station Z100 in New Jersey, try to steer a course between soft rock and rap.

ELEVENTH EDITION FULLY UPDATED

FRENCH COMPANY HANDBOOK 1991

Now, in the 1991 completely revised and updated edition, 168 pages of indispensable information in English on a selection of 67 of the most important French companies, as well as basic facts on other major firms. Includes information on the French economy and major sectors of activity, an introduction to the Paris Bourse, and a bilingual dictionary of French financial terms.

Each profile includes detailed information on: head office, management, major activities, number of employees, sales breakdown, company background, shareholders, principal French subsidiaries and holdings, foreign holdings and activities, exports, research and innovation, 1985-1989 financial performance, 1990 financial highlights and 1990/1991 important developments, strategies and trends.

French Company Handbook 1991 is indispensable for corporate, government and banking executives, institutional investors, industrial purchasers and other decision-makers who should be more fully informed on major French companies.

The Handbook is available at 380 French Francs ($64.50) per copy, including postage in Europe. Three or more copies, 20% reduction. Outside Europe, please add postal charges for each copy: Middle East, 24 Francs ($4); Asia, Africa, North and South America, 42 Francs ($7).

ACCOR
AEROSPATIALE
ALCATEL ALSTHOM (ex-CGE)
ATOCHEM
BANQUE INDOSUEZ
BANQUE NATIONALE DE PARIS-BNP
BANQUES POPULAIRES
BÉGHIN-SAY GROUP
GROUPE BULL
CAISSE DES DÉPÔTS ET CONSIGNATIONS
CAISSE NATIONALE DES TÉLÉCOMMUNICATIONS (CNT)
CANAL +
CAP GEMINI SOGETI
CEA-INDUSTRIE
CEGELEC
CERUS
CGIP (COMPAGNIE GÉNÉRALE D'INDUSTRIE ET DE PARTICIPATIONS)
THE CGM GROUP (COMPAGNIE GÉNÉRALE MARITIME ET FINANCIÈRE)
CHARGEURS
CIMENTS FRANÇAIS
CMB PACKAGING
COGECOM
COGEMA
COMPAGNIE DE SUEZ
COMPAGNIE GÉNÉRALE DES EAUX
CPR-COMPAGNIE PARISIENNE DE RÉESCOMPTE
CRÉDIT D'ÉQUIPEMENT DES PME-CEPME GROUP
CRÉDIT LYONNAIS
CRÉDIT NATIONAL
DASSAULT AVIATION
DASSAULT ELECTRONIQUE
DOCKS DE FRANCE
ELF AQUITAINE
EMC-ENTREPRISE MINIÈRE ET CHIMIQUE
ESSILOR INTERNATIONAL
FRAMATOME
GMF GROUP (GARANTIE MUTUELLE DES FONCTIONNAIRES)
GROUPE DES ASSURANCES NATIONALES (GAN)
HAVAS
IMETAL
LAFARGE COPPÉE
LVMH MOËT HENNESSY LOUIS VUITTON
LYONNAISE DES EAUX-DUMEZ
MERIDIEN
MERLIN GERIN
MICHELIN
PECHINEY
PEUGEOT S.A.
POLIET
LA REDOUTE
SAINT-GOBAIN
SCHNEIDER
SEB GROUP
SEITA
SEMA GROUP
SGE GROUP (SOCIÉTÉ GÉNÉRALE D'ENTREPRISES)
SLIGOS
SOCIÉTÉ GÉNÉRALE
SODEXHO
SOMMER ALLIBERT
THOMSON
TOTAL
UNION DES ASSURANCES DE PARIS (UAP)
USINOR SACILOR
VALEO
VALLOUREC
VICTOIRE GROUP

FRENCH COMPANY HANDBOOK 1991
Published by
International Business Development
a division of
International Herald Tribune.

International Business Development
181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France.

Please send me _____ copies of French Company Handbook 1991.

☐ Enclosed is my payment. Payment may be made in any convertible European currency at current exchange rates.
☐ Please charge to my credit card: ☐ Visa ☐ Diners ☐ Amex ☐ Eurocard ☐ Access ☐ MasterCard

CARD NUMBER _____ EXP. DATE _____

SIGNATURE _____
(necessary for credit card orders)

NAME (in block letters) _____

POSITION _____

COMPANY _____

ADDRESS _____

CITY / COUNTRY / CODE _____ 2-8-91

MTV, After 10 Years, Still Rocks Round the Clock

by Richard Harrington

WASHINGTON — It came. We saw. It conquered. At 1 minute past midnight on Aug. 1, 1981, a fledgling cable-television service signed on with: "Ladies and gentlemen, ROCK AND ROLL!"

MTV's stream of sound and image has been endless ever since. For better and worse, it has changed the ground rules of how pop music is made, how it is marketed and how it is consumed.

MTV was the first to show round-the-clock commercials. After all, whatever their artistic credentials, music videos are ads for products, and blatantly so, running artist-title-album-label information at the beginning and end of each one.

What advertiser could ask for anything more? Well, some did. Ten years ago MCA and Polygram refused to let MTV air their videos unless it paid them. Now they crawl like everyone else.

Critics who even noticed MTV — it was on cable, after all — dismissed it as a waste of time and space, missing the now obvious: Devised by and tailored to a generation raised on both television and rock and roll, MTV wedded those obsessions and gave birth to a demographic that took its very name from the medium delivering the messages.

The upshot? MTV helped rescue the record industry from a serious post-disco sales slump. In 1981, sales had slipped 30 percent from the industry's peak year of 1978. Over the next decade, sales would spiral to record highs year after year, doubling by 1991. MTV aimed to sell itself; labels aimed to sell more records. In MTV's very first year on the market, Fortune declared it the "Product of the Year."

Now it virtually defines youth culture, giving it a decidedly corporate identity distinct from past classifications such as hippies or baby boomers — the MTV Generation, one that not only talks about seeing music as much as hearing it, that shops as a reflection of what it sees on videos, but also seems increasingly oblivious to geographic borders.

With 50 million subscribers in the United States and 150 million in 40 other countries, MTV has become the lingua franca of the youth of the world, sort of a United Notions.

The very first clip shown was "Video Killed the Radio Star," by a British band called the Buggles. The threat implied in that song didn't come true, of course, but a twist on it did: MTV gave rise to videogenic pop stars with suspect musical skills. Or none at all — a talent for dancing and posing and self-promotion would suffice.

THOUGH it "made" the careers of hundreds of acts, MTV's impact on the '80s was greater than that of any single artist, Michael Jackson and Madonna included. Simply imagine them without MTV; now imagine MTV without them. Imagine any hit single from recent years; now try to imagine it without its video visuals.

MTV as a cultural force? Well, it has established an enviable brand identification. Just as Xerox has come to mean copying, no matter what kind of machine is used, MTV has become synonymous with music video, and not just because it's shorthand for Music Television, or because it clearly dominates its field.

Echoes of MTV's unpatented but definitive style — restless cameras, frenetic editing, kaleidoscopic compression, exaggerated color — abound today on television, in movies, in advertising and in fashion.

The arguments began almost immediately: Was MTV television or music? Was something a song or a video? What was really important: image, message or performance? Wasn't it wrong to burden songs with fixed images, leaving nothing to the imagination? An earlier generation raised on radio dramas said the same thing — about television.

MTV took loose strands that had proved ineffective in the past and wove them into a rope that some critics feel has achieved a stranglehold on the music industry, moving from the clever consumer plaint "I Want My MTV" to the complaint "Anything MTV Wants."

While music videos had been around for several years, MTV codified their presentation, creating a perpetual cable environment specifically aimed — for the first time — at the crucial demographic of 12- to 34-year-olds. Advertisers were always conscious of that demo, but reaching it effectively and consistently had always been a major challenge. Until MTV, which could easily have stood for Marketplace Television.

The innovation of 1981 has evolved into the institution of 1991, and MTV's future is so bright it might have to wear shades. The number of cable channels is expected to triple in the next few years, and MTV, with a library of 8,000 videos, is ready for spin-off channels.

[In fact, MTV announced this week that it would split its network into three channels beginning in mid-1993, the Los Angeles Times reported. It hasn't said what the formats would be, but insiders said it was likely that one of them would be urban contemporary or rap.]

Start practicing: I Want My RAPTV. I Want My DANCETV. I Want My THRASHTV. ■

© 1991 The Washington Post

CRITICS' CHOICE

In Pesaro, Back Home With Rossini

■ The Rossini Opera Festival in Pesaro, Italy, is devoted to the works of its native son in the new critical editions prepared under the auspices of the Rossini Foundation, also based there. This year's new production is of "Tancredi," in its revised version for Milan, conducted by Daniele Gatti, staged and designed by Pier Luigi Pizzi, and with a cast including Mariella Devia, Francesca Franca, Lucia Valentini Terrani, Enrico Facini, Raul Giminez and Boris Martinovic. Other productions are of Rossini's "Otello," conducted by Gianluigi Gelmetti and staged by Pizzi, and "La Cambiale di Matrimonio," paired in a double bill with Mozart's early sacred drama, "Die Schuldigkeit des Ersten Gebotes," both conducted by Donato Renzetti. The program also includes four recitals of Rossini's piano music.

Floating 'Carmen' on Lake Constance

■ Jérôme Savary, the French impresario, and his team are staging Bizet's "Carmen" on the Bregenz Festival's floating stage in Lake Constance, Austria, through Aug. 23. In the Festspielhaus on Aug. 4, 8 and 11, the opera is Tchaikovsky's rarely encountered "Mazeppa." In the Hohenems palace, the Vienna String Quintet gives a three-concert cycle of Mozart quintets.

A Tinguely Debut in Vienna

■ The privately owned KunstHausWien in Vienna, which opened on April 9, is presenting its first major international art exhibition, a retrospective of Jean Tinguely's mechanical sculptures titled "Plants of the Night." This is the first exhibition in Vienna of Tinguely's animated, robot-like and sometimes self-destructive machines. Tinguely first showed his "Métamécaniques" — a name he invented, meaning "beyond the machine" — sculptures in 1954 in Paris. Part of the KunstHausWien exhibition was previously shown in Fribourg, Switzerland, the artist's hometown. Several works were designed and built specifically for this show. One main display will remain as a permanent installation at the museum. The exhibition runs to Oct. 27.

Annual Music Festival in San Sebastián

■ The program of the annual festival in San Sebastián, Spain, from Aug. 5 to Sept. 1 includes Mozart's "Così Fan Tutte" in a production by Prague's National Theater; performances by Nacho Duato's ballet company of the Teatro Lirico Nacional of Madrid; concerts by the Bilbao Symphony and the Euskadi Symphony orchestras, the Scottish Chamber Orchestra under Leopold Hager and Lionel Friend, and the Orchestre Philharmonique de Radio France under Marek Janowski. Soloists scheduled include the singers Teresa Berganza, Aprile Millo and Samuel Ramey, and the pianists Lazar Berman and Christian Zacharias.

Recording the Upper Reaches of the Alps

■ More than a hundred years ago, when photographers first lugged bulky delicate apparatus up alpine peaks and glaciers, their sepia prints revealed a grim bleakness very unlike romantic engravings of that time. When Charles Henri Favrod, the curator of Lausanne's photography museum, sent out 10 photographers to record alpine views of today, what they found was far from the postcard cliché. Their work is on display at the museum until Sept. 8. Alain Ceccarolli recorded the forbidding upper reaches, Thibaud Cuisset explored passes where plant and lichen surrender to rock and ice, and Michel Semeniako photographed the emptiness of mountains at night. Jacques Berthet catalogues long abandonned attempts to cut a path, dig a mine or build a bridge.

(Mavis Guinard)

WEEKEND

Motherwell, a Soldier in the Abstractionist Wars

by Hilton Kramer

NEW YORK — I remember hearing Robert Motherwell speak about abstract art when he came to give a lecture at Harvard in the spring of 1951. I don't suppose that more than a tiny fraction of the people in the audience that afternoon in Cambridge had ever seen his work or that of the other Abstract Expressionist painters, though some had probably read about Jackson Pollock in Life magazine.

The New York School was not then as modish as it would afterward become, and avant-garde art was not at that time a pressing interest at Harvard in any case. If anything, it was rather frowned upon.

Motherwell stunned his listeners that day by claiming that Mark Rothko's yellows, as he said, would be remembered as long as van Gogh's yellows. It was a shocking statement for the many people in the audience who had not yet reconciled themselves to the existence of abstract painting.

But Motherwell delivered his thoughtful sermon on the mission of abstract art with considerable aplomb, and he was very politely received — yet more, I thought, as a Harvard man than as a champion of the avant-garde. He had been a graduate student in philosophy at Harvard in the '30s, and in Cambridge that day this counted for a good deal more than anything happening in the world of contemporary art.

A lot has changed, of course, since that afternoon 40 years ago. But the effort he made that day to place the art of the New York School in the larger perspective of the entire modernist movement still tells us something about the way his own art is likely to be remembered.

Motherwell, who died on July 16 at the age of 76, was a leading member of the American generation of artists that embraced abstraction as the ultimate, universal mode of artistic expression and won great international acclaim as a result.

For these artists, abstraction was an art that transcended politics and the sectarian concerns of social conflict. For Motherwell, certainly, it was a subjective art that was deeply rooted in the artist's interior life. Its imperatives were philosophical rather than social. It was an art that, by intention at least, addressed the life of the spirit while shunning all reference to the workaday world.

For this reason, Abstract Expressionist painting like Motherwell's met with a good deal of resistance when it made its initial appearance in the 1940s. It seemed too private, too undisciplined, too solipsistic to be an acceptable form of artistic expression.

Hans Namuth

Motherwell in 1953 — delivering sermons with aplomb.

Its repudiation of the explicit social content that had dominated American art in the Depression era was looked upon, especially by the ideological left, as a betrayal of a political ideal. It was too modern for the conservatives and too private for the radicals.

MOTHERWELL, who always remained a liberal in politics, thus belonged to the last generation of modernist painters that had to fight against philistine resistance to avant-garde ideas, and in the heyday of that struggle, in the '40s and '50s, he emerged as an eloquent and articulate champion of the entire Abstract Expressionist movement. It was in that early struggle that his own career as an abstract painter and as a spokesman for abstraction was forged.

Though younger than many other painters in the Abstract Expressionist group and without their experience of the art battles of the '30s, Motherwell was nonetheless a fervent defender of their common artistic program.

He was unlike others in the group, too, in having no artistic past, no apprenticeship in the provincial styles of the time, that had to be repudiated in favor of a commitment to the new avant-garde. When he started painting in the early '40s — reportedly at the suggestion of the art historian Meyer Schapiro — he went straight to the frontiers of abstraction, and he remained a true believer in the aesthetics of abstraction for the remainder of his long career.

It was not only in his own painting, moreover, that he was energetic in advancing the interests of the emerging New York School, as the Abstract Expressionists came to be called. As a writer and a public speaker, as an editor and a teacher, Motherwell became the principal pedagogue and propagandist of the movement.

About his work as a painter Motherwell took an internationalist view from the outset of his career. It needs to be recalled, in this connection, that one of the battles of the '30s had been about precisely this question — the international character of modernism.

This internationalist or cosmopolitan outlook on art was looked upon as anathema by the artists, critics and political publicists who favored the American Scene, the Social Realist, and the other nativist schools of art that then dominated the American art world.

Modernism was ferociously attacked by these cultural isolationists as alien to the American way of life, which was then seen to be embodied in rural or small-town communities or, in the case of the Communists, the heroic working class.

The battle between cosmopolitanism and nativism had by no means been concluded by the early '40s, but it nonetheless had the effect of opening every aspect of American life to a larger view of the world, and New York was inevitably the place where the impact of European influence was most keenly felt.

European artists and intellectuals flocked to New York in great numbers, and American writers and artists who were living abroad returned to resume their work on this side of the Atlantic. Overnight, as it were, New York became the capital of the modernist movement, and this, in turn, had an immense effect on the kind of art that was now created here.

This was the situation in which Robert Motherwell came of age as an artist in the early '40s. From the beginning he thought of himself as an heir to the European modernists, which would nowadays brand him as irredeemably Eurocentric.

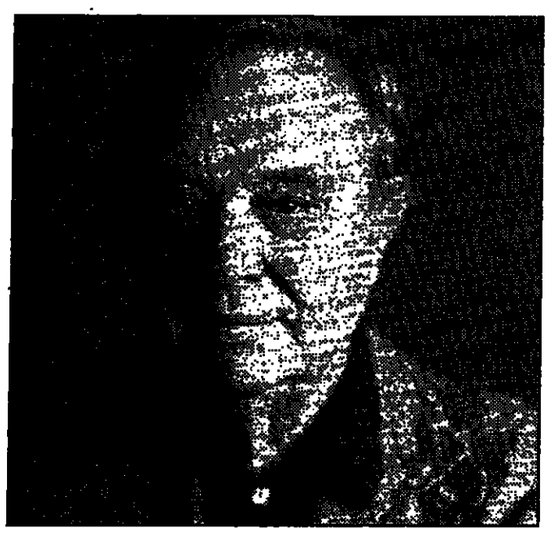
He had started painting in the company of the exiled French Surrealists who had fled to New York in the early '40s to escape the Nazi occupation of Paris, and from his wartime association with the Surrealists he drew certain lessons about the way an American avant-garde movement, such as the Abstract Expressionists, might advance its claims and realize its ambitions.

From this association, too, Motherwell derived the fundamental principle of his art — the principle of automatism. What the Surrealist poet and theorist André Breton called "psychic automatism" had long been championed by the group as a cognitive and creative resource.

It was an idea based on the belief that, as Breton had written in the Surrealist Manifesto of 1924, "in the absence of any control exercised by reason" the creative energy of the unconscious could be summoned to play a decisive role in the expressive process.

Automatism was both a structural method for Motherwell and a means of evoking the content of his art. The automatist idea was, to be sure, an important element in a good deal of the painting produced by the New York School, yet the use Motherwell made of it sets his work somewhat apart from that of many of his colleagues in the Abstract Expressionist movement. ■

Hilton Kramer, the art critic for The New York Observer and the editor of The New Criterion, wrote this for The New York Times.



Timothy Greenfield-Sanders

Motherwell in 1981 — an eloquent champion.

'JFK,' the Movie: Oliver Stone Sparks an Uproar

by Richard Bernstein

NEW ORLEANS — The Camelot Productions research department is on the second floor of a shabby former bus depot on Annunciation Street, a few minutes' drive from where Oliver Stone is filming his controversial interpretation of the assassination of John F. Kennedy.

The full 26 volumes of the Warren Commission hearings occupy a metal shelf alongside several books that see the president's assassination, on Nov. 22, 1963, as part of a conspiracy and the Warren report as a government cover-up. There is a videotape library; there are copies of congressional investigations, CIA reports, magazine articles from 20 years ago.

Stone, the writer-director of "Platoon," "Born on the Fourth of July" and, most recently, "The Doors," has suggested a visit to the research department. His purpose is clear.

Months before release of his new movie, written by Stone and Zachary Sklar — indeed, well before filming is finished — "JFK" has come under assault. There have been articles in The Washington Post, Time, the Chicago Tribune and the Times-Picayune of New Orleans, all arguing that Stone's film will be based on what Time called "the far-out fringe" of conspiracy theories.

The theory, specifically, is that of Jim Garrison, the district attorney of New Orleans in the late 1960s, who put a local businessman on trial in 1968 for plotting with Lee Harvey Oswald and others to kill the president. (The jury decided on a not-guilty verdict after less than an hour of deliberation.)

Garrison's hypothesis was "zany," The Washington Post has charged. The district attorney himself, according to an article in the Times-Picayune, knew that his case amounted to nothing, but cynically pursued it to get publicity.

In short, the accusation is that Stone doesn't know what he's talking about in his film, which stars Kevin Costner as Garrison, Gary Oldman as Lee Harvey Oswald and Tommy Lee Jones as Clay Shaw, the accused businessman.

Stone has been fighting back, answering his critics in letters and articles. And now he wants to show that his "JFK" does not spring out of some paranoid, conspiracy-theory imagination. Every point, every argument, every detail in the movie, he says, has been researched, can be documented and is justified.

"I didn't want to make a movie of the Garrison book only," he said. "He is the protagonist, but the book ends essentially in 1969, and I wanted to push the movie into the new ground that was uncovered after 1969 and pre-'69 — the autopsies, the bullets, the work of other researchers. So, I've taken dramatic license. It is not a true story per se. It is not the Jim Garrison story. It is a film called 'JFK.' It explores all the possible scenarios of why Kennedy was killed, who killed him and why."

FOR nearly 30 years, the Kennedy assassination has provoked intense debate between those convinced that Kennedy was killed by Lee Harvey Oswald acting alone and those who believe Kennedy was killed as part of a conspiracy.

Some have accumulated evidence supposedly indicating that the Mafia was behind the murder. Others think it was the Central Intelligence Agency, which, the theory goes, wanted to forestall an effort by Kennedy to make peace with Castro and withdraw from Vietnam.

"What actually happens in the movie is that you see different scenarios, different possible conclusions," Stone said. At the same time, however, Stone makes clear that he himself strongly favors the conspiracy theory and rejects the Warren Commission findings.

"If the movie is cut the way I think it's going to be cut, and if you are a neutral person, I think you will leave the theater ready to think about things, and, I hope, to rethink them, and maybe to go back and read some more and begin to wonder about some of the givens, some of the sacred cows, some of the official story," Stone said. "Because that's what I think the Warren Commission is. It's America's official story."

The negative articles about "JFK" have largely been based on a draft of a screenplay that, Stone says, has since been revised. He is clearly worried that the publicity could lead the public to form a negative opinion of "JFK" before the $40 million film is finished.

He says that initially he accepted the conclusions of the Warren Commission. In this sense, the film chronicles his own reversal of belief.

What made Stone focus seriously on the assassination was a 1988 book, "On the Trail of the Assassins" by Garrison — the only person ever to put someone on trial for conspiracy to murder Kennedy. The defendant, Clay Shaw, according to some witnesses, was overheard discussing a plan to kill Kennedy with Oswald and another alleged plotter, David Ferrie.

Garrison believed that the plotters were anti-Castro activists angry at Kennedy for compromises he made after the Cuban missile crisis. He also believed that the government covered up the truth and, as he built his case, promised he would solve all of the mysteries about the Kennedy murder. But witnesses were discredited in the trial, and Shaw was quickly acquitted.

Some time next year "JFK" will be released, and audiences can decide for themselves whether to believe Oliver Stone. ■

© 1991 The New York Times

INTERNATIONAL ARTS AGENDA

AUSTRIA

Vienna

Palais Liechtenstein (tel: 34.12.59). To Aug 25: "Getlinger Photographs Beuys: 1950-1963" juxtaposes portraits of Germany's most influencial post-war artist and photos of his works.

BELGIUM

Brussels

Fondation pour l'Architecture (tel: 649.02.59). To Sept. 1: "Brussels: A City of Architecture, 1890-1958." A portrait of Brussels through the collection of the Archives of Modern Architecture.

BRITAIN

London

Barbican Art Gallery (tel: 588.9023). The Barbican's annual children's festival "Summer in the City," Aug. 4-10. To Sept. 4: "Songlines:" The most comprehensive exhibition of Aboriginal art from Australia yet shown in Britain.

Hayward Gallery (tel: 261.0127). To Aug. 11: "Richard Long — Walking in Circles." Installation designed by British artist Long of works done since 1971 and a selection of his walks presented through photographs, maps and text.

Special Photographers Company (tel: 221.3489). To Aug. 10: A look at the game of cricket by sports photographers.

CANADA

Ottawa

National Gallery of Canada (tel: 990.1985). To Sept. 22: "A Primal Spirit: Ten Contemporary Japanese Sculptors." Various responses to nature and the processes of growth and decay.

FRANCE

Albi

Musée Toulouse-Lautrec (tel: 63.54.14.09). To Sept. 1: "Lautrec and Japanism" explores influence of Japanese prints on the French Impressionist artist.

Arles

Rencontres Internationales de la Photographie (tel: 90.96.76.06). To Aug. 15: Over a dozen galleries present exhibitions of Latin American photography.

Boulogne-Billancourt

Espace Départemental Albert Kahn (tel: 46.04.52.80). To Dec. 22: The work of landscape designers in the Paris area from 1890 to 1930 is examined through drawings, plans, perspectives and photographs.

Nîmes

Ecole de Nîmes (tel: 66.67.29.11). To Aug. 14: 100 photographs of gypsies by Josef Koudelka.

Paris

Grand Palais (tel: 42.89.23.13). To Aug. 12: The first major retrospective of Georges Seurat's work to be shown in France, marking the centennial of the artist's death.

Musée d'Art Moderne de la Ville de Paris (tel: 47.23.61.27). To Oct. 13: Paintings and drawings by El Lissitzky, a leading representative of Russian Suprematism and Constructivism.

GERMANY

Berlin

Museum für Volkerkunde (tel: 8301.438). To Sept. 29: "Jaguarmen and Eaglefighters:" 126 masterpieces of Mexican pre-columbian art.

Bremen

Übersee Museum (tel: 308.000). To Aug. 25: "Treasures of the Kremlin — Peter the Great in Western Europe" includes over 100 selections from the state museum of the Kremlin in Moscow. Also, numerous programs featuring Russian performing arts.

Cologne

Käthe Kollwitz Museum (tel: 227.23.63). To Aug. 7: "The Engraving as a Moral Theatre:" The satirical and fantastic copper-plate engravings of William Hogarth (1697-1764).

Frankfurt

Historisches Museum (tel: 212.355.99). To Sept. 8: "The History of Mickey Mouse in Painting." Exhibition explores Mickey Mouse and Donald Duck's place in the history of art.

ITALY

Ravenna

Museo Nazionale (tel: 35.404). To Nov. 17: "Hidden Treasures." Works representing the first 12 centuries of Christian art from churches in Italy's Romagno region.

Rome

Accademia Valentino. To Nov. 5: "Valentino: Thirty Years of Magic" presents 300 of the Italian designer's outfits along with their original accessories.

JAPAN

Gunma

Hara Museum Arc (tel: 24.6585). To Sept. 1: "Art wa Tanoshii 2." Exhibition of figurative works by young Japanese artists is curated with both adults and children in mind.

Tokyo

Touko Museum of Contemporary Art (tel: 3404.1791). To Aug. 4: "Strange Abstraction" explores new approach to abstraction developed by four American artists who emerged to prominence in the 1980s.

NETHERLANDS

Amsterdam

Van Gogh Museum (tel: 570.52.00). To Sept. 22: "Japan: Van Gogh's Utopia" examines the influences of Japanese prints and culture on van Gogh's work. Also, "The Album of an Anonymous Traveler 1890-94," a selection of photos taken in Japan by a Dutch traveller.

Rotterdam

Museum Boymans-van Beuningen (tel: 44.19.400). To Aug. 25: Abstract and geometric pottery by Jan van der Vaart.

SPAIN

Madrid

Centro de Arte Reina Sofia (tel: 467.5062). To Aug. 21: Retrospective of works by Uruguayan artist Joaquin Torres-Garcia (1874-1949).

SWEDEN

Stockholm

Fotografiska Museet (tel: 666.42.50). To Aug 4: "Just Like..." Contemporary Swedish photography.

SWITZERLAND

Geneva

Musée de l'Athénée (tel: 29.75.66). To Sept. 29: "Dream of the Modern Primitives:" Exhibition of primitive-style paintings from around the world based on the themes of imagination and memory.

Lausanne

Fondation de l'Hermitage (tel: 20.50.01). To Oct. 6: Pierre Bonnard retrospective. Over 150 oil paintings, gouaches, lithographs, sculptures and illustrated notebooks from international collections.

UNITED STATES

Los Angeles

Museum of Contemporary Art (tel: 621.2766). To Sept. 15: "High and Low: Modern Art and Popular Culture." Over 250 works by 50 artists shown in relation to examples of newspapers, advertisements, sales catalogues and comics.

New York

Center for African Art (tel: 861.1200). To Dec. 31: "Africa Explores: 20th Center African Art." Major themes and artistic innovations in African art. Also shown at the New Museum of Contemporary Art through Aug. 11.

Metropolitan Museum of Art (tel: 535.7710). To Aug. 18: "The Sculpture of Indonesia:" Over 130 objects from collections around the world. Includes gold figurines, ancient Hindu sculpture and a life-size stone Buddha. Also, "The Perfect Page: The Art of Embellishment in Islamic Book Design."

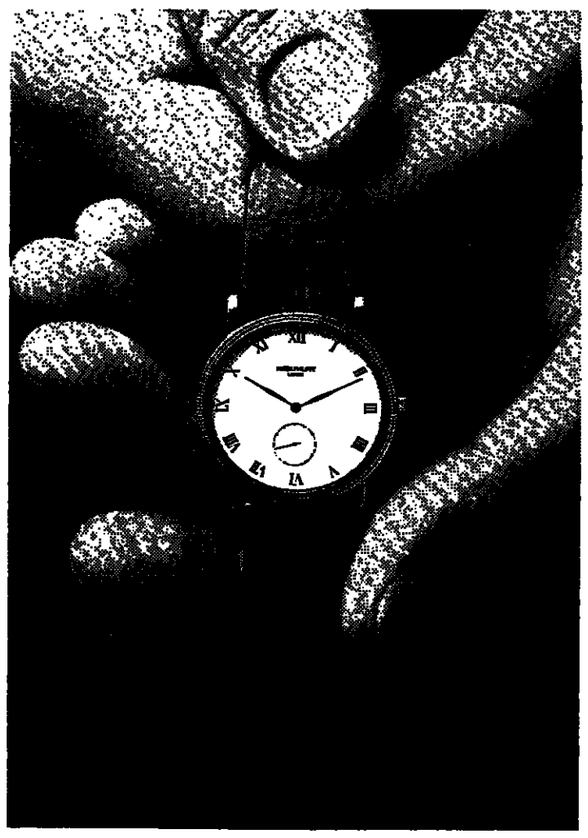
Whitney Museum of American Art, Equitable Center (tel: 570.3633). To Aug. 17: "Steppin' Out: New York Nightlife, 1900-45." Works by 26 artists, including Bacon, Hopper and du Bois.

Washington

Experimental Gallery (tel: 357.2700). To Sept. 3: "World Wall: A Vision of the World Without Fear." A mural-in-progress by Chicana artist Judith Baca will use the entire 7,000-square-foot gallery space.

National Museum of Natural History (tel: 357.2700). To Sept. 16: 34 panoramic color photographs celebrate 75 years of American National Parks.

WHEN you first handle a Patek Philippe, you become aware that this watch has the presence of an object of rare perfection.
We know the feeling well. We experience it every time a Patek Philippe leaves the hands of our craftsmen.
You can call it pride. For us it lasts a moment; for you, a lifetime.
We made this watch for you – to be part of your life – simply because this is the way we've always made watches.
And if we may draw a conclusion from five generations of experience, it will be this: choose once but choose well.
A Patek Philippe – because it's for a lifetime.



PATEK PHILIPPE
GENEVE

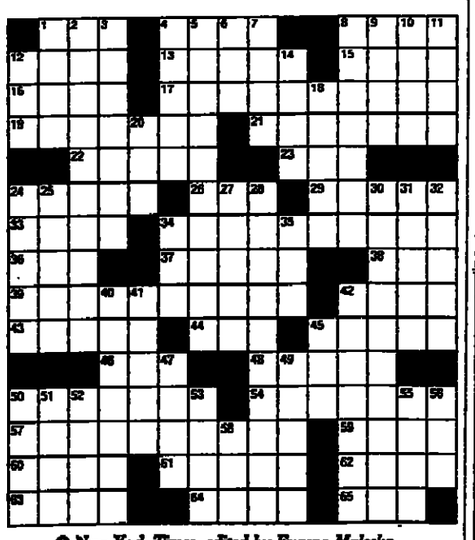
Patek Philippe S.A.
41, rue du Rhône – 1211 Geneva 3 – Switzerland

ACROSS

1 O.T. book
4 Train track
8 Buddy
13 Hamlet's big brother
13 Senor
18 Seine feeder
19 Hard fat
17 Anagram of STIPULATED
19 Kind of schooner
21 They give tips at tracks
22 Nasal tone
23 R-V connection
24 Specialty of 55 Down
26 Kimono sash
29 Nonsense
33 Cowardly Lion portrayer
34 Anagram of NECTARINES
36 Egg Comb form
37 Outlook
38 Make demands on
39 Anagram of SUPERSONIC
42 Ram, e.g.
43 Depside is one
44 Ritter or Beneke
45 Beeped a beeper
46 Bad newspaper
48 Overture, for short
50 Lockjaw
54 Trig calculations
57 Anagram of MARASCHINO
59 Aswan Dam site
60 " . . —— saw Elba"
61 Pool-table material
62 Mongolia is here
63 Actor Baldwin
64 Borrute and cinnabar
65 R.M.N.'s first V.P.

DOWN

1 Decant
2 Anagram of SWARTHIEST
3 Dovelike
4 Prepare to sew again
5 Anagram of LEGISLATOR
6 Actress Lupino
7 Latvian
8 Haute —— (high fashion)
9 Seek's partner
10 Computer operator
11 Army meal
12 One-sixth of a fl oz.
14 Ocho ——, Jamaica
18 —— -frutti (ice-cream flavor)
20 Music great Charles
24 Take the honey and run
25 Goaltender's stat
27 Memorable pianist from N.J.
28 Anagram of EXCITATION
30 Anagram of STAGNATION
31 Cartographer's concern
32 Put a spell on
34 Idiot boxes
35 Juan or Diego
40 Made from clay
41 Heavens: Comb. form
42 Boat basins
45 A TD is worth six
47 Butter's alternative
49 Proboscises
50 Mr. T's "—— -Team"
51 Bowler Anthony
52 Genealogical chart
53 Farm structure
55 Lamb's pseudonym
56 Yellow, for one
58 Dave Crabtree's mother, e.g.



© New York Times, edited by Eugene Maleska.

Solution to Previous Puzzle

S	T	E	P	S		A	R	F	S		N	I	L	E
E	M	I	T		D	A	R	C		O	N	E	R	
A	M	I	N	O		I	G	O	R		T	S	A	R
P	R	I	V	A	T	E	S	E	C	T	O	R		
		N	E	Q			H	E	N	E				
B	A	R	Q		A	S	S		S	E	A	B	A	G
I	R	O		R	I	A	T	A		E	C	O	L	E
G	O	L	D	E	N	P	A	R	A	C	H	U	T	E
S	A	L	E	S		S	T	A	S	H		T	A	P
R	O	M	A	B		E	N	T		A	S	I	S	
		U	N	I	S			R	E	P				
M	A	R	K	E	T	E	C	O	N	O	M	Y		
O	U	R		S	O	S	O		A	G	U	E	S	
T	I	T	A		T	U	T	U		C	E	L	L	O
O	O	L		A	T	O	R		T	E	L	L	S	

NYSE

Thursday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

(Continued on page 27)

NYSE Highs-Lows

NEW HIGHS 77

AbbottLab	AmAdi 97 n	AmBrd 275pf	Anthony s
Aquarion	BCE Inc g	BkBos adj pf	Bausch s
BrazilFd	BristMySq	CapstdMtg	CenHud Gas
CenLoElec	Chiquita	CocaCola	CtrlData pf
EnisBu s	FabriCtr s	FedNtMtg	FstAmBkCp s
FFB pfF	FstFinFd	FtFnclMgt	FstVaBks
FishrPrce n	FstNor pfB	FrptMcCGld	FreeptMcM
Gannett	Gap s	GenMills s	Genesco Inc
GlaxoHdg	Gdrich pfD	HlmshRehab	HerculesInc
HouseIntl	HousInf 625	Huffy s	KN Eng
KentuckyUtl	LacledeGas	LatinAmer	Loctite s
Logicon	Luxottica	Lydall	Medtrust
MoranSt	NBB Bcp	NatwHlthPr	NiaM adj pf
NiMo 772pf	NuvCalInQl n	NuvnNY	PattenCp
PepBoys	Pfizer s	PhilipsGlo	ReadrDig
SchrPl	Smucker	StanleyWk	StorageTch
TelecomCp	ToolsRell	TritonEngy	TritonEng pf
USX-USS n	UniFi	UnivCorp	USLIFE Inc
ValueCity n	Verity	VigoroCp n	WMS Ind
Whirlpool			

NEW LOWS 13

AdobeRs 240	CrossldSav	CrossldSv pf	DataDesign
HomeFed	Maritrans	SeaCnt pfE	SmartFinal n
SuaveShoe	TWA pf	UsairGp	UsairG pf
Valley Ind			

AMEX Highs-Lows

NEW HIGHS 22

AmerOilGas	AmTr-bmy prm	AmTr-ko sc	AmTr-mrk sc
ChmbDvB s	ChmbDvA s	Comptek	FtAustralia
ForestLab s	GW Util n	Henlyint	InstruSys pf
IvaxCp s	MetrMblA	NAVacne	PGE 250pfP
PGE 2pfO	Salem Corp	Tortel	TotCdaOG g
Tranznc	TranzncB n		

NEW LOWS 11

BiscaynHld	Citcp wtY	Ford wtY92	Leasind
viLionel	Rediaw	ScandCo	Sifco
ThrmElc n	viTrnscoA	TurnerCp	

For investment information

read THE MONEY REPORT every Saturday in the IHT

Know More Ultra-High Speed Super Computer.

Innovative Results From HITACHI

WALL STREET WATCH

As Rates Fall, Investors Pour Into Bond Funds

By Floyd Norris
New York Times Service

NEW YORK — Mutual fund investors are pouring money into bond funds, seeking higher yields in the face of low short-term interest rates, according to fund managers. Several funds said July is likely to be the best month ever in terms of cash inflows. Relatively short-term funds have done especially well, but the flood of cash has affected most types of bond funds, including those that specialize in junk bonds.

"We've probably had the strongest month in the bond business that we've ever had," said Michael Hines of Fidelity Investments.

Bruce Speca, a spokesman for the TNE Fund Group, a subsidiary of the New England, a large insurance company, said: "Most of the activity is in short-term bond funds. It's primarily due to the rate shock." Rates on many bank accounts are below 6 percent.

Many stock funds reported improved sales in July, as the Dow climbed above 3,000.

Many stock funds also reported improved sales in July, as the Dow Jones industrial average again climbed above 3,000. But while stock funds generally are not taking in money as rapidly as they did early this year, when share prices shot upward, bond funds are seeing some of the best days ever.

"With the equity markets in a very narrow trading range and not having a very exciting summer, and with money fund yields so low, investor attention has turned to bonds," said Steve Norwitz, a spokesman for the T. Rowe Price funds.

He said cash flow into that group's bond funds was nearing the record set in January 1987.

The funds' statements came as the Investment Company Institute, an industry trade group, released figures showing that in June a net $4.4 billion poured into bond funds. That was down from $5 billion in May, but it raised the total for the first half of 1991 to $25.3 billion, more than came into the funds for the previous four years combined.

EQUITY FUNDS, BY CONTRAST, reported a cash inflow of just $952 million in June, the lowest figure since January and down sharply from the $3.6 billion inflow in May. Even so, the $13.1 billion inflow during the first half of 1991 is slightly higher than the amount taken in during all of 1990.

Within the bond funds, a number of fund groups reported strong interest in junk bond funds and in mortgage-backed-security funds, two categories that have done well this year. But the greatest interest seems to be in shorter-maturity funds, whose bonds generally mature in three to five years.

But Mr. Hines said Fidelity's monthly survey of investor sentiment showed reduced interest in future purchases of bond funds and rising interest in stock funds. "You've probably seen as much money going into bonds as you will for some time," he said.

When the stock market recovery began in October, stock funds held a record 12.9 percent of their assets in cash. Cash has poured in since then, but fund managers have kept pace with that money flow, and more, by buying stocks.

At the end of June, the cash figure was down to 9 percent of assets, off from 9.4 percent the previous month and the lowest in more than two years. Ken Spence, a technical analyst at Salomon Brothers, pointed to that relatively low figure as a reason to be cautious about the stock market.

Earlier this year, it was the riskier stock funds that drew in the most cash. But lately, said Mr. Norwitz of T. Rowe Price, "we've seen more interest in the more conservative equity funds."

In June, the industry figures showed that aggressive growth funds, the least conservative type of general funds, had a net outflow of $201 million, the first such outflow this year and the largest since September.

By contrast, growth and income funds, the most conservative general type of funds, took in $1 billion in June, virtually unchanged from May.

CURRENCY RATES

Cross Rates

Aug. 1

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.976	3.317	1.1272	0.3317	0.151 *	—	5.4735 *	1.2988	1.435 *	1.7135	1.803 *
Brussels	35.955	60.5425	20.5975	6.0585	2.757 *	18.269	—	23.5925	0.262	31.25	32.943 *
Frankfurt	1.7465	2.943	—	0.2943	0.134 *	0.8872	4.855 *	1.146	1.2725 *	1.5175	1.41 *
London (a)	1.6785	—	2.9385	9.9853	2,193.50	3.3159	60.57	2.5715	230.85	1.9307	180.84
Madrid	109.285	183.981	62.52	18.401	8.375 *	55.466	3.0357	71.453	79.596 *	95.031	—
Milan	1,304.15	2,190.20	746.60	219.73	—	662.40	36.264	855.40	9.589	1,134.85	11.943
New York (b)	—	1.674 a	1.757	5.9715	1,312.00	1.9803	36.165	1.5341	137.55	1.1497	109.90
Paris	5.938	10.007	3.3986	—	0.4552 *	3.015	0.165	3.8938	4.327 *	5.1595	5.436 *
Tokyo	137.38	231.25	78.65	23.13	0.1054	69.79	3.8196	90.14	—	119.25	1.256
Toronto	1.1499	1.925	0.6543	0.1925	0.878 *	0.5805	3.185 *	0.7493	0.8358 *	—	1.046 *
Zurich						Closed					
1 ECU	1.1745	0.6977	2.053	6.9754	1,532.43	2.3141	42.2821	1.7914	161.259	1.3509	128.356
1 SDR	1.3347	0.7921	2.3311	7.9255	1,740.75	2.6265	47.9991	N.Q.	182.987	1.5364	145.941

Closings in Amsterdam, London and Zurich, fixings in other centers; New York closing rates and Toronto rates at 3 p.m.
*a: To buy one pound. b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	9965.0	Greek drac.	192.05	Mex. peso	3034.51	S. Afr. rand	2.8655
Austral. $	1.287	Hong Kong $	7.7585	N. Zealand $	1.7522	Soviet ruble*	0.5994
Austr. schil.	12.28	Indian rupee	25.907	Norw. krone	6.817	Swed. krona	6.3335
Brazil cruz.	349.00	Indo. rupiah	1955.03	Phil. peso	27.00	Taiwan $	26.61
Chinese yuan*	5.3471	Irish £	0.654	Port. escudo	149.80	Thai baht	25.68
Danish krone	6.764	Israeli shek.	2.33	Saudi riyal	3.75	Turkish lira	4351.00
Egypt. pound	3.2977	Kuwaiti dinar	0.2917	Sing. $	1.7419	UAE dirham	3.672
Fin. markka	4.265	Malay. ring.	2.7863	S. Kor. won	726.40	Venez. boliv.	59.50

*New York rates unless marked * (local rate)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6762	1.6690	1.6629	Canadian dollar	1.1535	1.1559	1.1586
Deutsche mark	1.7528	1.7579	1.7627	Japanese yen	137.37	137.59	137.71
Swiss franc	1.5273	1.5299	1.5322				

Sources: NMB Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

Aug. 1

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	[illegible]	[illegible]	[illegible]	11-11⅛	[illegible]	[illegible]	9¾-9⅞	[illegible]
2 months	5⅞-6	[illegible]	[illegible]	11-11⅛	[illegible]	7⅝-7¾	9⅞-10	[illegible]
3 months	5⅞-6	[illegible]	[illegible]	11-11⅛	[illegible]	7⅝-7¾	[illegible]	[illegible]
6 months	[illegible]	[illegible]	7⅞-8	10⅞-11	[illegible]	[illegible]	10⅛-10¼	7⅝
1 year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10⅛-10¼	7¾

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

Aug 1

United States	Close	Prev.
Discount rate	5½	5½
Prime rate	8½	8½
Federal funds	5 13/16	5 13/16
Com. paper 30-179 days	5.98	6.00
3-month Treasury bills	5.52	5.51
6-month Treasury bills	5.64	5.62
1-year Treasury bills	5.80	5.77
30-year Treasury bond	8.37	8.34
3-month CDs	5.50	5.55
6-month CDs	5.55	5.55
Japan		
Discount rate	5½	5½
Call money	[illegible]	7 15/32
1-month interbank	[illegible]	7 11/32
3-month interbank	[illegible]	[illegible]
Germany		
Discount rate	6½	6½
Lombard rate	9.30	9.30
Call money	9.00	9.00
1-month interbank	9.00	9.00
3-month interbank	9.20	9.20
6-month interbank	9.45	9.45
Britain		
Bank base rate	11.00	11.00
Call money	10⅞	11
3-month interbank	[illegible]	11
6-month interbank	[illegible]	10 15/16
France		
Intervention rate	9.00	9.00
Call money	[illegible]	9¾
1-month interbank	[illegible]	[illegible]
3-month interbank	[illegible]	[illegible]
6-month interbank	9⅝	[illegible]

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

Aug. 1

1 month	[illegible]
2 months	[illegible]
3 months	[illegible]
6 months	[illegible]
1 year	6½ - 6⅝

Source: Reuters.

U.S. Money Market Funds

Aug. 1

Merrill Lynch Ready Assets
30-day average yield: 5.46
Telerate Interest Rate Index: 5.886

Source: Merrill Lynch, Telerate.

GOLD

Aug. 1

	A.M.	P.M.	Ch'ge
Hong Kong	364.15	364.55	+ 1.10
Luxembourg	364.50	—	+ 1.05
Paris (12.5 kilo)	363.69	364.04	Unch.
Zurich		Closed	
London	364.30	363.40	+ 0.55
New York	—	363.75	− 0.40

Luxembourg, Paris and London official fixings. Hong Kong and Zurich opening and closing prices. New York spot market close. All prices in U.S. $ per ounce.

Source: Reuters.

Key Survey Confirms U.S. Growth

By Lawrence Malkin
International Herald Tribune

NEW YORK — America's manufacturing economy continued its expansion last month, the National Association of Purchasing Management reported Thursday, but it came at a slower rate with a weaker push from new orders.

The association's index in July rose to 51.8 percent, a smaller increase over June's 50.9 percent than the 5-point jump from May.

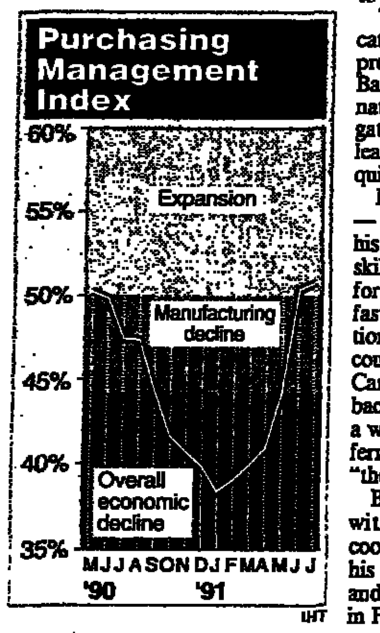
Robert J. Bretz, chairman of the association's survey committee, said the July figures confirm a "neophyte recovery."

At its current level, the index points to a 1 percent increase in gross national product for the entire year. The 50 percent level is the dividing line between expansion and decline.

New orders, a leading indicator, were still expanding at 56.3 percent last month. New export orders also continued their expansion at a slower rate, but the survey showed that for the third consecutive month 78 percent of the companies did export business, a high.

Production had the sharpest gain, from 55 to 59.5 percent.

Meanwhile, government figures showed new applications for unemployment insurance during the week ending July 20 fell by 21,000.



IHT

For Carmakers in the EC, 2000 Looms

By Jacques Neher
Special to the Herald Tribune

PARIS — Although just granted a nine-year reprieve before facing the Japanese onslaught, the European auto industry has little time to lose if it hopes to hold its market and avoid the U.S. mistakes of a decade ago.

Industry experts say Japan's acceptance this week of a deal that effectively freezes its exports to the European Community but allows a generous expansion of Japanese production inside the Community resembles a pact Japan made with the United States 10 years ago.

Now one car in three sold in the United States is Japanese.

If they are to avoid the same fate, Europe's automakers and their 2 million employees will have to make significant changes over the next several years in the way they build and sell cars. If not, they will be in no position to compete head-on against the Japanese in a wide-open EC market after Jan. 1, 2000.

The main task, industry experts say, is for European automakers to close a Japanese advantage in production costs. This would require:

- Elimination from the market of one or more of the six volume-car producers — Renault, Peugeot SA, Fiat, Ford, General Motors and Volkswagen — most likely through merger.
- Much greater cooperation among the auto producers in design and production of major components, like engines and transmissions that can be used commonly within models that otherwise compete.
- More dependence on outside suppliers to provide the technology for future models, accelerating a departure from the old model of vertical integration in which producers handle the design and much of the production of the thousands of parts that go into a car.

As a consequence, Europe's auto suppliers are expected to face a restructuring process of their own, resulting in fewer companies competing for bigger pieces of business.

- New rounds of job losses — perhaps 100,000 or more — from the ranks of management as well as on the shop floor, along with increased pressure to alter work and employment practices to derive more efficiency from the remaining work force and machinery.

"The industry can make big strides to improve production efficiency, but to make those strides necessarily involves major changes in the structure of the industry," said John Lawson, auto analyst with Nomura Securities in London.

As the industry is currently structured, it costs European producers on average 20 percent more than Japanese counterparts to build a comparable model, said Philip Wylie, analyst with Salomon Brothers International in London.

The cost differential is largely due to an abundance of producers that have splintered the market with an abundance of models.

With sales potential of a model limited by competition, the manufacturer is unable to generate enough volume to produce an adequate return on the substantial costs required to develop the model.

"There are simply too many manufacturers depending on the European market, and only on the European market," Mr. Lawson said.

Observers suggest that France's Renault and PSA as well as Italy's Fiat are the most vulnerable because they are the most dependent on their national markets for sales.

Fiat, for example, got 66 percent of its European sales last year from its home market. Renault got 49 percent of its European business from France, while PSA, which

See CARS, Page 25

BCCI Glare Ends Saudi's Argentine Idyll

By Nathaniel C. Nash
New York Times Service

BUENOS AIRES — "After I understood the country, the people and the culture," Ghaith R. Pharaon once said after arriving in Argentina in 1981, "I realized that the future was right here, and I decided to stay."

The Saudi-born, Harvard-educated financier arrived with an impressive bankroll backed by the Bank of Credit & Commerce International, which, American investigators say, used him as one of its leading front men in a host of acquisitions.

His penchant for flamboyance — he regularly landed in town on his private Boeing 737 — played skillfully to Argentina's weakness for gaudy displays of money and fast living and its wistful fascination with political power. In a country whose current president, Carlos Saúl Menem, is of Arab background, Mr. Pharaon seemed a welcome guest. He was often referred to as the "Arab magnate" or "the modern Pharaoh."

But Mr. Pharaon's love affair with Argentina has obviously cooled. In September, he withdrew his 1988 application for citizenship, and he is believed to be vacationing in France.

Mr. Pharaon, 50, initiated a string of investments, ranging from the opening of BCCI's office in Buenos Aires to a five-star Hyatt hotel downtown to a huge plantation in Salta, a northwest province.

The Pharaon story in Argentina is almost a paradigm of BCCI in Third World countries — the courting of top officials, the hiring of prominent economists and the weaving of a web of investments, or seeming investments, with BCCI's presence always in the shadows.

But as the sprawling BCCI empire collapses amid charges of fraud, money laundering and weapons trafficking, and as regulators, governments and investigators try to sort out who came under its influence, Argentines are turning their backs on Mr. Pharaon.

Just this week, the Argentine central bank closed BCCI's Buenos Aires offices. And a court Tuesday ordered the seizure of BCCI's records, raising suspicions that the bank and Mr. Pharaon might have been involved in money laundering involving drug deals.

Almost every political figure who has come into contact with Mr. Pharaon over the years — including Mr. Menem and the former head of Argentina's central bank, Javier González Fraga — are distancing themselves from him.

Earlier this week, the Federal Reserve Board in the United States proposed to bar Mr. Pharaon from owning or being an officer of an American banking institution.

Some offered a modest defense of Mr. Pharaon. They noted that he had not been indicted, that when he had begun investing in Argentina the government did not know anything about charges of laundering drug money and that his investments represented fresh funds for the capital-starved country.

Mr. Pharaon's history of investment in Argentina might best be described as many promises and many plans but most likely only modest amounts of real cash.

His biggest projects, the Hyatt and the plantation, were financed

See IDYLL, Page 25

CIA Knew Bank in Capital Was Bought, Senator Says

By Jim McGee and Michael Isikoff
Washington Post Service

WASHINGTON — The Central Intelligence Agency privately warned several U.S. agencies in 1986 that the Bank of Credit & Commerce International had gained secret control of First American Bankshares in Washington, in violation of Federal Reserve Board restrictions, but the CIA never told the Fed, according to a member of Congress.

This detail from a special CIA working paper on BCCI was disclosed by Senator John Kerry, Democrat of Massachusetts, chairman of a Senate subcommittee that is holding hearings on BCCI.

The Luxembourg-based bank was indicted Monday by a New York grand jury on fraud and bribery charges.

The Fed had approved the 1981 takeover of First American based on

See SENATOR, Page 24

Earnings Surprise At Philips

Its Shares React With Price Jump

Reuters

EINDHOVEN, Netherlands — Philips Electronics NV on Thursday surprised investors by reporting strong profit growth for the second quarter in a row, a signal that Europe's largest consumer electronics group is on the road to recovery.

Net profit from normal operations jumped to 187 million guilders ($95 million) in the second quarter from 37 million guilders in the 1990 period.

The gain brought first-half profit from operations to 322 million guilders, up from 43 million last year.

Even Philips itself expressed surprise at the performance.

"The improvement in the results is better than we had earlier expected," the finance director, Henk Appelo, said.

Investors reacted enthusiastically, pushing the Philips shares to a new year's high of 34.40 guilders, up 1.40.

Analysts had expected a first-half net profit from normal operations of around 185 million guilders.

Last year Philips suffered its worst performance ever — a 4.24 billion guilder net loss — and the new chairman, Jan Timmer, launched a restructuring.

"The process of revitalizing the company, which is fully under way, has resulted in a level of profitability that can be described as encouraging in the light of the unfavorable economic situation," the company statement said.

"We remain wary of making any pronouncements about the level of net income for 1991," it added.

Philips is cutting up to 45,000 jobs from a global force of more than 260,000.

The company restated an earlier forecast that sales this year would roughly equal last year's total of 55.8 billion guilders.

Overall net income in the first half, including an extraordinary gain from the June sale of its 47 percent of a joint venture to Whirlpool Corp., rose to 687 million guilders from 373 million in the similar period of 1990.

Gardini Ouster Completed As Wife Exits Ferruzzi

Reuters

NEW YORK — Idina Ferruzzi agreed Thursday to sell her 23 percent stake in Serafino Ferruzzi Srl, the holding company for Italy's second-largest private-sector industrial group, to her brother and two sisters, Arturo, Franca and Alessandra.

As part of the 505 billion lire ($387 million) agreement, Raul Gardini, Idina's husband, will resign from all of his positions at the Ferruzzi-Montedison group.

The accord completes the ouster of Mr. Gardini, a brash entrepreneur who turned the once-sleepy agricultural firm into an international business force, who was removed as chairman of Serafino Ferruzzi in June. The organizational structure and the shareholdings of the Ferruzzi group remain unchanged.

Slovenia Urges the West To Reopen Credit Lines

By Richard E. Smith
International Herald Tribune

FRANKFURT — Slovenia is being hurt more by a cutoff of credit lines from Western banks than by the military action of tanks sent by the Yugoslav national army, according to top financial officials in the breakaway republic.

"I am afraid that our friends will cause much more damage to us with this conduct than the tanks have done," said Anton Slapernik, chairman of Ljubljanska Bank, Slovenia's largest commercial bank.

Slovenia, Yugoslavia's most prosperous republic with the most extensive ties to the West, has been waging an intense and occasionally bloody struggle since June for its independence.

Mr. Slapernik said at a news conference that Western bankers had frozen many credit lines, prompting Slovenia to launch a campaign for a resumption of normal business with German, Italian, Austrian, Swiss and U.S. banks.

The chief of the republic's new central bank, France Arhar, underscored Slovenia's determination to win its independence by announcing that he hoped it can launch its own currency at the end of this year or the beginning of next year.

His bank started operating as a central bank only several weeks ago and currently does not even have the presses to print new money. The presses have always been controlled by the Yugoslav central bank in Belgrade.

The officials said that many credit lines to Slovenia had been frozen as Western banks followed the cue of certain powerful government export insurance agencies, which have been downgrading Yugoslavia as a credit risk.

"We are not asking for new credits," said Metod Rotar, advisor to Ljubljanska Bank. "We are only asking our banking colleagues to treat us the way they have in the past."

"Our cash flow for August and September is sufficient," he said. "But it is getting more difficult from day to day."

The officials argued that Slovenia should be entitled to better treatment from Western banks because it has always been a reliable partner and is the most economically sound of the Yugoslav republics.

Although Slovenia has only 8 percent of the Yugoslav population, it recently has accounted for 29 percent of Yugoslav exports, 25 percent of imports and 20 percent of the gross national product.

"It has never happened so far that we have failed to meet our obligations," Mr. Rotar said.

"The Slovenian system has always been liquid and remains so at this point, something which cannot be claimed by all others," he said, referring to some of Yugoslavia's less prosperous republics.

He pointed out that Slovenia kept servicing its portion of the national debt even when the national government declared a moratorium in June on payments of debt with a maturities of more than one year.

Yugoslavia's national debt totals $16 billion, of which Slovenia is responsible for about $1.7 billion.

Albanian Currency Loss

The coalition government has closed down the Albanian State Bank's foreign-exchange department after it ran up losses of $170 million, Reuters reported Thursday from Tirana, quoting the daily newspaper Zeri i Popullit.

The losses emerged after an audit of the central bank, carried out with the help of the International Monetary Fund.

Act now for your 45% discount on a subscription to the IHT!

And, as an added bonus, you'll receive free issues - 52 free issues for a 12-month subscription; 26 for a six-month subscription. See the table below for savings and rates.

Call us toll free:
France: 05-437 437
Germany: 0130-84 85 85

Country/Currency		12 months (+52 free issues)	ONE-YEAR SAVINGS	6 months (+ 26 free issues)	3 months (+ 13 free issues)
Austria	A. Sch.	5,500	3,600	3,000	1,650
— *hand delivery	A. Sch.	5,800	3,300	3,200	1,750
Belgium	B.Fr.	12,000	8,020	6,600	3,600
Denmark	D.Kr.	3,400	1,332	1,900	1,050
Finland	F.M.	2,200	1,440	1,200	660
France	F.F.	1,700	1,394	935	515
Germany (mail)	D.M.	640	452	352	194
— *hand delivery	D.M.	810	282	416	217
Great Britain	£	175	98	96	53
Greece	Dr.	57,000	23,080	31,400	17,300
Ireland	£Irl.	195	151	107	59
Italy	Lire	450,000	350,800	250,000	138,000
Luxembourg	L.Fr.	12,000	8,020	6,600	3,600
Netherlands	Fl.	650	533	360	200
Norway (airmail)	N.Kr.	3,000	1,732	1,650	900
— *hand delivery	N.Kr.	3,200	1,532	1,760	970
Portugal	Esc.	40,000	25,520	22,000	12,100
Spain (mail)	Ptas.	40,000	23,700	22,000	12,100
— **hand deliv. Barcelona Bilbao, Seville, Valencia	Ptas.	43,500	20,200	24,000	13,200
— **hand deliv. Madrid	Ptas.	54,600	—	27,300	13,650
Sweden (airmail)	S.Kr.	2,600	1,404	1,430	785
— *hand delivery	S.Kr.	3,100	904	1,700	935
Switzerland	S.Fr.	540	479	295	160
Rest of Europe, N. Africa, form. French Africa, Middle East	$	600	Varies by country	330	180
Rest of Africa, Gulf States, Asia Central/Latin America	$	750		412	225

* At these rates, you can get morning hand delivery in the following cities: Berlin, Vienna, Oslo, Stavanger, Stockholm, Goteborg and Malmo. For information concerning special hand-delivery in other major German cities call toll free IHT Germany at 0130-84 85 85 or fax (069) 69.48.94. Rates do not include free issues.
** At these rates, hand delivery is available by morning in Barcelona, the same day in Seville and the next day in Bilbao and Valencia. For Madrid, hand-delivery is available by morning, but without the free issues.

Yes, I want to start receiving the IHT. This is the subscription term I prefer (check appropriate boxes):
☐ 12 Months (364 issues in all with 52 bonus issues). ☐ 6 Months (182 issues in all with 26 bonus issues). ☐ 3 Months (91 issues in all with 13 bonus issues).
☐ My check is enclosed (payable to the International Herald Tribune).
☐ Please charge my: ☐ American Express ☐ Diners Club ☐ VISA ☐ MasterCard ☐ Eurocard ☐ Access

CARD ACCT NO ____ EXP. DATE ____ SIGNATURE ____
NAME ____
ADDRESS ____
CITY/CODE ____ COUNTRY ____
TEL ____ FAX ____

Return your completed coupon to: Subscription Manager, IHT, 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France.
This offer expires September 30, 1991, and is available to new subscribers only.

International Herald Tribune
Published With The New York Times and The Washington Post

2-8-91

MARKET DIARY

Stocks End Lower, Pressured by Bonds

United Press International

NEW YORK — Falling U.S. Treasury bond prices combined with profit-taking to nudge stocks slightly lower Thursday in moderate trading on the New York Stock Exchange.

The Dow Jones industrial average, which rose 8.50 points Wednesday as part of a 52.32-point advance over the past three sessions, fell 7.15 to 3,017.67.

Among the broad-based gauges, the NYSE composite index slipped 0.38 to 211.96 and the Standard & Poor's 500-stock index eased 0.69 to 387.12. The price of an average NYSE share lost 5 cents.

Declines outpaced advances by a 4-to-3 ratio. Volume amounted to 169.9 million shares, down from 167.3 million Wednesday.

Prices also lost ground on the American Stock Exchange but ended mixed in over-the-counter trading.

Trude Latimer, market analyst with Jesup, Josephthal & Co., said stocks fell on profit-taking following three consecutive days of strong advances in which the Dow industrials closed within 10 points of a record.

Several economists indicated the Dow appeared overbought as it approached the 3,020 level.

Ms. Latimer noted strong performance in computer issues helped to prevent larger overall losses.

On the trading floor, Columbia Gas System paced the Big Board actives, rebounding 2 to 16 after dropping 3 Wednesday. American Express followed, rising 1 to 26⅞.

Philip Morris was third, adding ⅞ to 68⅝. In a strong computer sector, Digital gained 1½ to 70, Compaq jumped 1⅜ to 36½ and IBM added ⅛ to 101⅜.

N.Y. Stocks

Dollar Closes Stronger On Economic Statistics

Reuters

NEW YORK — The dollar closed stronger in quiet trading — especially against European currencies — as strong U.S. economic data spurred a wave of short-covering.

"Most of today's activity was contained in an hour and a half period," said David Factor, a dealer for Fuji Bank in New York. The dollar achieved the bulk of its gains before noon.

The U.S. currency ended at 1.7570 Deutsche marks, up from Wednesday's close of 1.7435 DM. It finished at 137.55 yen, up from Wednesday's close of 137.42 yen.

The dollar's rise through 1.7510 and 1.7550 DM triggered large amounts of short-covering, said Linda McLaughlin, senior corporate dealer for AIG Trading.

The U.S. currency hit a late-morning high of 1.7615 DM. Technicians argue that the dollar should now reach 1.7750 DM, said Ms. McLaughlin.

She and others said Friday's activity will depend on July U.S. employment data. Traders said they heard estimates Thursday for a July gain of as much as 135,000 to 150,000. Such a figure could send the dollar up a pfennig or so, Ms. Johnson said, and could propel the currency to a new range of 1.74-1.78 DM.

The pound eased to $1.674 from Wednesday's $1.6865.

The French franc ended at 5.9715 and the Swiss franc at 1.5341 compared with Wednesday's 5.9295 and 1.5225.

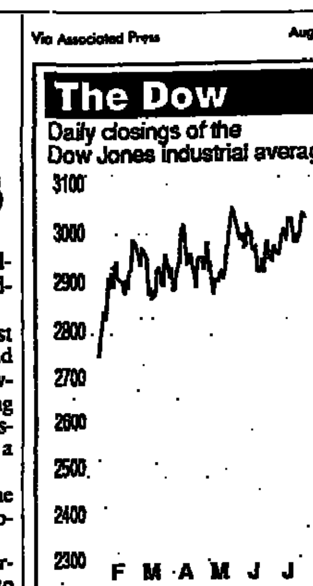
In London, the dollar ended at 1.7520 Deutsche marks and 137.55 yen, compared with Wednesday's finish at 1.7465 DM and 137.45 yen.

The pound slipped to $1.6785 from the previous close at $1.6845.

The French franc closed at 5.9525 and the Swiss franc at 1.5309 compared to Wednesday's 5.9400 and 1.5265.

Foreign Exchange

Via Associated Press August 1



NYSE Most Actives

	Vol.	High	Low	Last	Chg.
Nabors	3461	6⅛	6	6⅛	+ ⅛
MetMB	3497	18⅝	18⅜	18⅜	— ⅛
TelDta	3475	33½	33⅛	33½	+ ¼
FruitL	3156	17½	17	17⅛	— ⅛
InstSy	3005	4⅛	3⅞	4	
ForstLs	2850	43⅛	42½	42⅞	+ ½
ChDvAs	2620	29⅞	29½	29⅞	+ ¼
Tortel	2482	2⅝	1¾	2⅝	+ ⅛
InCorAs	2244	7½	7¼	7½	+ ⅜
IvaxCps	2115	33⅞	31½	32	—1
WangB	2082	3⅞	3⅝	3⅝	— ⅛
Digicn n	2001	3⅞	3⅝	3⅝	— ⅛
Wthfrd	1926	5⅝	5⅜	5⅝	
NAVac	1887	12⅜	11½	12	+ ⅜
EchoBy	1872	9⅝	9⅛	9⅝	

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
vlColGs	31365	16	14½	16	+2
AmExp	27141	27	25½	26⅞	+1
TimeW rt	22023	6⅛	5½	5⅞	+1
PhilMr	20045	68⅝	68⅛	68⅝	+ ⅞
Texaco	19899	66⅛	65½	66	+ ¼
Compq	19542	36⅝	35⅛	36½	+1⅜
TelMex n	18807	31⅞	31⅛	31⅞	
USXMar n	17883	26⅛	25⅛	25⅞	+ ½
AT&T	17290	39⅞	39⅛	39¼	— ⅛
TimeW	15388	86⅛	85½	85⅞	+1
Glaxo	15171	44⅛	43⅝	44⅛	+ ⅛
RJR Nb n	14484	11½	11¼	11½	+ ⅛
PepsiC	14122	31⅞	31⅛	31¼	— ⅛
Pfizer s	13703	62⅞	61⅛	62⅞	+ ⅞
Upjohn	13274	45⅞	44⅛	45⅝	+1⅛

NYSE Diary

	Close	Prev.
Advanced	679	963
Declined	886	622
Unchanged	513	514
Total Issues	2078	2099
New Highs	77	93
New Lows	13	17

Amex Diary

	Close	Prev.
Advanced	247	269
Declined	283	275
Unchanged	266	270
Total Issues	796	814
New Highs	22	41
New Lows	11	8

NASDAQ Diary

	Close	Prev.
Advanced	927	1,136
Declined	954	773
Unchanged	2,252	2,218
Total Issues	4,133	4,128

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	3022.81	3037.12	2997.76	3017.67 —	7.15
Trans	1219.68	1232.55	1211.21	1225.85 +	5.79
Util	201.84	203.03	199.95	201.46 —	0.31
Comp	1075.21	1082.30	1066.57	1075.48 —	0.32

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	462.60	460.87	461.82	—0.66
Transp.	300.04	297.61	299.64	+1.27
Utilities	140.08	138.98	138.98	—1.10
Finance	30.82	30.61	30.66	+0.05
SP 500	387.95	386.48	387.12	—0.69
SP 100	370.32	368.55	369.63	—0.45

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	212.63	211.72	211.97	—0.37
Industrials	268.15	266.88	267.20	—0.37
Transp.	180.17	179.66	180.17	+0.34
Utilities	91.31	91.02	91.02	—0.61
Finance	155.21	154.74	154.79	+0.10

NASDAQ Indexes

	High	Low	Close	Ch'ge
Composite	N.A.	N.A.	504.15	+2.11
Industrials	—	—	560.57	+3.60
Finance	—	—	504.21	+0.26
Insurance	—	—	546.32	+0.13
Utilities	—	—	373.51	—3.31
Banks	—	—	330.55	+1.76
Transp.	—	—	522.65	+7.38

AMEX Stock Index

High	Low	Close	Ch'ge
368.74	367.33	368.24	—0.04

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	94.70	—0.17
10 Utilities	95.70	—0.33
10 Industrials	93.70	Unch.

Market Sales

NYSE 4 p.m. volume	169,400,000
NYSE prev. cons. close	167,310,000
Amex 4 p.m. volume	11,020,000
Amex prev. cons. close	11,850,000
NASDAQ 4 p.m. volume	160,099,200
NASDAQ prev. 4 p.m. volume	160,322,400
NYSE volume up	73,901,560
NYSE volume down	72,318,480
Amex volume up	3,985,360
Amex volume down	4,454,580
NASDAQ volume up	82,037,900
NASDAQ volume down	49,463,100

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	Short*
July 31	569,998	707,990	29,864
July 30	621,837	715,033	41,002
July 29	518,967	613,431	10,685
July 26	470,447	594,497	32,622
July 25	568,313	594,335	13,898

*Included in the sales figures.

S&P 100 Index Options

Aug. 1

Strike Price	Calls-Last Jly	Aug	Sep	Oct	Puts-Last Jly	Aug	Sep	Oct
335	—	35⅛	—	—	⅛	⅛	2	⅜
340	29	30½	—	—	⅛	1⅛	2⅞	4
345	25⅛	27⅞	29⅛	—	⅛	1⅛	3½	—
350	20	23	25½	—	⅛	2⅛	4⅞	6⅛
355	15⅛	18⅝	20⅞	—	⅛	3	5⅛	—
360	11⅛	15	—	19⅛	1⅛	4⅛	6½	8½
365	7⅛	11⅛	—	—	2⅛	5⅝	8	—
370	4⅛	8⅛	10⅛	13⅛	4⅛	7⅛	10½	12
375	1⅞	5⅛	—	—	7⅛	10⅛	13	—
380	⅛	3⅛	5⅛	—	11½	13⅛	—	17½
385	⅛	2⅛	4⅛	—	17⅛	—	—	—

Calls: total vol. 78,118 ; total open int. 296,401
Puts: total vol. 66,112 ; total open int. 322,732

	Dec 92	Dec 93	Dec 92	Dec 93
27½	10⅛	—	⅛	—
30	8⅛	9⅛	⅛	—
32½	6⅛	—	—	—
35	—	—	2⅛	—
37½	3⅛	—	—	—

Calls: total vol. 219 ; total open int. 22,443
Puts: total vol. 153 ; total open int. 67,298
Source: CBOE.

EUROPEAN FUTURES

Food

	Close		High	Low	Prev. Close	
SUGAR (FOX) U.S. Dollars per metric ton-lots of 50 tons						
Oct	220.00	220.40	220.00	215.00	216.20	218.20
Dec	196.00	205.80	198.00	191.00	191.20	N.T.
Mar	197.00	198.80	198.00	184.00	194.00	194.20
May	198.00	200.60	195.00	195.00	193.00	198.20
Aug	197.00	198.00	194.00	194.00	189.00	200.00
Oct	197.00	200.00	194.00	194.00	188.00	200.00
Dec	192.00	200.00	N.T.	N.T.	N.T.	N.T.
Est. Sales 633.						
COCOA (FOX) Sterling per metric ton-lots of 10 tons						
Sep	653	654	660	647	648	649
Dec	694	695	697	685	682	683
Mar	731	732	733	720	715	718
May	749	750	750	737	735	737
Jul	767	768	766	757	753	754
Sep	785	786	784	773	772	773
Dec	808	809	810	799	N.T.	N.T.
Mar	832	834	835	820	N.T.	N.T.
May	847	850	850	847	N.T.	N.T.
Jul	860	863	864	860	N.T.	N.T.
Est. Sales 29,882.						
COFFEE (FOX) Sterling per metric ton-lots of 5 tons						
Sep	538	539	539	535	536	537
Nov	561	562	561	558	558	559
Jan	580	582	583	579	578	579
Mar	595	596	596	593	593	594
Est. Sales 2,095.						

WHITE SUGAR (Matif) Dollars per metric ton-lots of 50 tons	High	Low	Close		Ch'ge
Oct	290.00	286.50	289.00	290.00	+ 0.70
Dec	279.00	278.50	278.50	279.00	Unch.
Mar	277.00	276.00	277.00	278.00	+ 0.50
May	N.T.	N.T.	277.00	279.00	+ 2.00
Aug	N.T.	N.T.	274.00	278.00	+ 1.00
Oct	N.T.	N.T.	261.00	263.00	+ 1.00

Est. sales 344. Prev. sales 682. Open interest 11,395.

Metals

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1267.00	1268.00	1271.00	1272.00
Forward	1298.00	1299.00	1303.00	1304.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1339.50	1340.50	1330.00	1332.00
Forward	1354.00	1354.50	1347.50	1348.00
LEAD Sterling per metric ton				
Spot	323.00	325.00	322.00	324.00
Forward	335.00	336.00	335.00	335.25
NICKEL Dollars per metric ton				
Spot	8240.00	8250.00	8140.00	8150.00
Forward	8220.00	8225.00	8140.00	8150.00
TIN Dollars per metric ton				
Spot	5690.00	5700.00	5650.00	5660.00
Forward	5775.00	5780.00	5740.00	5750.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1057.00	1059.00	1054.00	1056.00
Forward	1074.00	1075.00	1072.00	1073.00

Financial

	High	Low	Close	Change
3-MONTH STERLING (LIFFE) - pounds 500,000 pts of 100 pct				
Sep	89.25	89.21	89.23	+0.02
Dec	89.71	89.68	89.69	+0.03
Mar	89.93	89.90	89.91	+0.03
Jun	89.78	89.76	89.76	+0.03
Sep	89.63	89.60	89.62	+0.03
Dec	89.51	89.50	89.50	+0.01
Mar	89.38	89.36	89.36	+0.01
Jun	89.37	89.36	89.35	+0.01
Sep	89.37	89.34	89.35	+0.03
Dec	89.35	89.30	89.30	—0.02
Est. volume: 15,452. Open interest: 135,352.				
3-MONTH EURODOLLARS (LIFFE) - 1 million dollars pts of 100 pct				
Sep	93.89	93.85	93.87	—0.01
Dec	93.46	93.40	93.41	—0.01
Mar	93.41	93.38	93.36	—0.02
Jun	92.96	92.92	92.92	Unch.
Sep	92.48	92.44	92.44	—0.03
Dec	91.95	91.95	91.96	—0.06
Mar	N.T.	N.T.	91.97	—0.06
Jun	N.T.	N.T.	91.77	—0.06
Est. volume: 3,704. Open interest: 28,843.				
3-MONTH EUROMARKS (LIFFE) DM1 million - pts of 100 pct				
Sep	90.64	90.59	90.60	—0.01
Dec	90.64	90.58	90.59	+0.01
Mar	90.82	90.77	90.78	Unch.
Jun	90.94	90.90	90.92	+0.01
Sep	91.03	91.03	91.03	+0.01
Dec	91.21	91.21	91.21	Unch.
Mar	91.30	91.30	91.30	—0.01
Jun	N.T.	N.T.	91.32	—0.01
Est. volume: 21,193. Open interest: 115,365.				
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct				
Sep	92-16	92-07	92-11	+0-03
Dec	92-15	92-15	92-15	+0-03
Est. volume: 14,227. Open interest: 33,789.				
GERMAN GOVERNMENT BUND (LIFFE) DM 250,000 - pts of 100 pct				
Sep	84.10	83.90	83.97	+0.01
Dec	84.24	84.08	84.07	Unch.
Est. volume: 47,849. Open interest: 90,251.				

Industrials

	High	Low	Last	Settle	Ch'ge
GASOIL (IPE) U.S. dollars per metric ton-lots of 100 tons					
Aug	187.00	185.00	185.00	185.25	—1.50
Sep	188.00	185.50	186.25	186.50	—1.25
Oct	189.25	187.25	188.00	188.00	—1.25
Nov	190.75	189.00	189.75	190.00	—0.75
Dec	191.50	189.75	190.75	190.75	—1.00
Jan	189.00	187.00	187.50	187.25	—1.00
Feb	183.00	182.50	182.50	182.75	—0.25
Mar	N.T.	N.T.	N.T.	176.50	—0.50
Apr	174.00	174.00	174.00	174.00	—1.00
Est. Sales 8,000. Prev. sales 9,608. Open interest 86,648					
BRENT CRUDE OIL (IPE) U.S. dollars per barrel-lots of 1,000 barrels					
Sep	19.86	19.38	19.39	19.40	—0.34
Oct	19.90	19.47	19.52	19.51	—0.29
Nov	19.90	19.55	19.55	19.55	—0.28
Dec	19.90	19.50	19.50	19.50	—0.30
Jan	19.40	19.40	19.40	19.40	—0.35
Feb	19.40	19.40	19.40	19.40	—0.33
Mar	N.T.	N.T.	N.T.	19.30	—0.25
Apr	19.60	19.42	19.60	19.30	Unch.
Est. Sales 16,566. Prev. sales 17,839. Open interest 63,366					

Stock Indexes

FTSE 100 (LIFFE) £25 per index point	High	Low	Close	Change
Sep	2632.0	2615.0	2625.0	+2.0
Dec	2665.0	2665.0	2667.0	+2.0

Est. volume: 3,383. Open interest: 37,238.

Sources: Reuters, Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Dividends

Company	Per	Amt	Pay	Rec
INCREASED				
Natl Medical Enterp	Q	.23	9-4	8-16
ProvdntLfAccA&B	Q	.25	9-10	8-30
Subrbn Bancrp cl-A	Q	.088	9-15	9-1
Subrbn Bancrp cl-B	Q	.08	9-15	9-1
REDUCED				
KemperMultiMkt IT	M	.10	8-30	8-15
STOCK SPLIT				
Natl Medical Enterprises — 2-for-1				
USUAL				
ASARCO Inc	Q	.40	9-3	8-15
Avon Products Inc	Q	.35	9-3	8-15
Bethlehem Steel	Q	.10	9-10	8-12
Chevron Corp	Q	.82½	9-10	8-12
Commrcl Intertech	Q	.17	9-13	8-30
Cousins Properties	Q	.15	8-23	8-12
Downey S&L Assoc	Q	.08	8-22	8-12
Dreyfus Strat GII	M	.09	8-28	8-14
EllsworthConvG&I		.14	8-26	8-12
Equifax Inc	Q	.13	9-13	8-23
Exxon Corp	Q	.67	9-10	8-13
Golden West Fncl	Q	.04½	9-10	8-15
Green (AP) Indus	Q	.15	9-13	8-30
Health-Mor Inc	Q	.17	10-8	9-20
Hon Industries	Q	.09	9-3	8-12
Houghton Mifflin Co	Q	.18½	8-28	8-14
Hubco Inc	Q	.10	9-1	8-16
Instron Corp	Q	.03	10-4	9-13
Jefferies Group Inc	Q	.05	9-13	8-15
Kemper Hi IncmTr	M	.08¾	8-30	8-15
Kemper Interm GT	M	.0734	8-30	8-15
KmprMcplIncm Tr	M	.07¼	8-30	8-15
Kemper Strat MIT	M	.07½	8-30	8-15
Lukens Inc	Q	.37	8-23	8-12
MAPCO Inc	Q	.25	9-20	8-23
McGraw-Hill Inc	Q	.55	9-11	8-27
McKesson Corp	Q	.40	10-1	9-3
Melcor Devel		c-.10	8-30	8-16
Oneida Ltd	Q	.12	9-13	8-16
Standex Intl	Q	.18	8-26	8-12
Total Petro NoAmer	Q	.20	9-20	8-30
USLICO Corp	Q	.28	9-6	8-23
Westinghouse Elec	Q	.35	9-1	8-10

a-annual; c-Canadian rate; m-monthly; q-quarterly; s-semi-annual

Source: UPI.

U.S./AT THE CLOSE

Meddling in BCCI Probe Is Charged

WASHINGTON (AP) — The former U.S. Customs commissioner, William Von Raab, told Congress on Thursday that other government officials cut him out of an investigation into the Bank of Credit & Commerce International at a critical point.

Mr. Von Raab said that officials from the Treasury Department decided in the spring of 1989 that he should no longer be involved in an investigation into money laundering by BCCI in Florida.

"I was cut off from any information," Mr. Von Raab told the Senate subcommittee on terrorism, narcotics and international operations. "I was cut out of the BCCI investigation." The inquiry, begun in late 1987, resulted in a 1990 plea agreement by several BCCI officials in Tampa, Florida.

Court Voids Submarine Contract

NORFOLK, Virginia (NYT) — A federal judge has voided the Pentagon's award of a submarine-building contract to General Dynamics Corp.'s Electric Boat division and ordered the navy to hold a new competition on terms more favorable to a competitor, Tenneco Inc.'s Newport News shipyard.

The ruling, by Judge Robert Doumar of the U.S. District Court in Norfolk, Virginia, gives Newport News another shot at winning the contract to build the second SSN-22 Seawolf attack submarine.

Buffett Invests $300 Million to Aid An Old Friend, American Express

The Associated Press

NEW YORK — American Express Co., the financial services giant burdened by its troublesome Shearson Lehman Brothers brokerage, will receive a $300 million boost from the multibillionaire investor Warren Buffett, they announced Thursday.

American Express will sell preferred securities to Berkshire Hathaway Inc., Mr. Buffett's investment conglomerate, or its subsidiaries. The agreement marks the return of Mr. Buffett, 60, to a company he first dabbled in three decades ago with an investment on which he made his first big profit. Of that investment, Mr. Buffett says, "I'd be worth a lot less money today if I hadn't run into American Express."

American Express rose $1 a share to $26.375 in active trading Thursday on the New York Stock Exchange.

L.A. Gear Gains Time From Banks

LOS ANGELES (UPI) — L.A. Gear, the struggling athletic shoemaker, said Thursday its bankers had agreed not to ask for immediate repayment of its $300 million credit line even though it was in default on its loan agreement.

The agreement will allow L.A. Gear to complete its previously announced deal to sell Trefoil Capital Investors $100 million of convertible preferred stock in exchange for a 30 percent stake in the company.

The default occurred last week when L.A. Gear reported that it had revised its small profit for the second quarter ended May 31 to a $4 million loss. The company's loan agreements do not allow the company to post quarterly losses. L.A. Gear, the nation's third-largest sneaker-maker after Nike Inc. and Reebok International Ltd., has now lost more than $23 million in its last three quarters.

Halliburton Earnings Off in Quarter

DALLAS (UPI) — Halliburton Co. said Thursday its second-quarter earnings fell to $32.3 million, or 30 cents a share, from $47.1 million, or 44 cents a share, in the year-ago period. It said the fall was due primarily to lower operating income from its Energy Services Group, which is to undergo a major cost reduction program.

The diversified energy services, engineering, maintenance, and construction company's current-quarter profits declined despite higher revenues of $1.78 billion. In the same period of last year, the company had revenues of $1.7 billion.

SENATOR: *Kerry Says CIA Knew BCCI Had Acquired First American*

(Continued from first finance page)

explicit assurances that BCCI would not own, control or manage the holding company.

The CIA working paper also contains allegations of BCCI involvement in drug trafficking and money laundering, sources said. As outlined in the CIA document, the drug and money laundering activities of BCCI were "clear — there was not any doubt," said one congressional source.

But this document was not shared with the Justice Department, a Justice official said Wednesday. The CIA refused Mr. Kerry's request to release the distribution list of the working paper. But knowledgeable sources said the agencies receiving the document included the State Department and the Treasury Department.

"In 1986 the CIA knew that BCCI was a criminal enterprise, and owned the First American Bank, and told a number of other government agencies," Mr. Kerry said in a press release. "There is no evidence on record that any of these agencies told the Federal Reserve what they knew nor is there any evidence of federal law enforcement taking any action."

The Federal Reserve Board's general counsel, J. Virgil Mattingly Jr., told Congress in May that the Fed did not become aware of BCCI's interest in First American until late 1990. "The fact is, the CIA told some people — they told State and Treasury."

On Wednesday, Mr. Kerry's office released a letter from a CIA official that said the CIA director, William Webster, "has authorized me to advise you that you may disclose the fact that this portion of the report states that BCCI attempted unsuccessfully to acquire or gain control of Financial General Bankshares [the previous name of First American's holding company] in late 1981, but that BCCI achieved this goal six months later."

WORLD STOCK MARKETS

Agence France Presse August 1

Amsterdam

	Close	Prev.
ABN Amro Hld	39.90	39.40
ACF Holding	37.30	37.20
Aegon	122.40	121.90
Ahold	80.50	80.40
Akzo	116.50	116.20
AMEV	51.50	50.80
A'Dam Rubber	3.80	3.60
Bols	202.50	202.70
Buhrmann Tett	46.50	46.70
Center Parcs	N.Q.	25.50
CSM	80.60	81.10
DAF	22.40	22.40
DSM	109	111.10
Elsevier	86.10	85.90
Fokker	34.70	34
Gist-Brocades	34.80	34.50
Heineken	152	152
Hoogovens	63.80	63.60
Hunter Douglas	83.50	83.90
IHC Caland	62.50	62.70
Inter Mueller	78.50	77.50
Int'l Nederland	50.60	50.20
KLM	28	28.10
KNP	54	53.80
Nedlloyd	58.30	58
Oce Grinten	57.90	57.90
Pakhoed	192	193
Philips	34.40	31
Robeco	101.40	101.70
Rodamco	53.40	51.40
Rolinco	102.10	101.90
Rorento	66.30	66.10
Royal Dutch	162.80	161.80
Unilever	163.40	162.40
Van Ommeren	46.30	46.30
VMF Stork	46.30	45.10
VNU	77.20	76.40
Wessanen	86.60	86.30
Wolters/Kluwer	53.90	53.80

CBS trend index : 93.70
Previous : 93.20

Brussels

	Close	Prev.
AG Fin	1885	1830
Arbed	4295	4215
Barco	1124	1120
Bekaert	9230	9240
Cockerill	176	177
Cobepa	4990	4995
Delhaize	7890	7850
Electrabel	4440	4440
GB-Inno-BM	1290	1294
GBL	3480	3450
Gevaert	6520	6510
Hoboken	10600	10600
Intercom	N.A.	—
Kredietbank	4005	4000
Petrofina	11575	11650
Royal Belge	4190	4015
Soc Gen Banque	5080	5000
Soc Gen Belgique	2420	2420
Sofina	11550	11575
Solvay	12700	12650
Tractebel	8250	8360
UCB	18000	18100
Powerfin	2365	2370

Current Stock Index : 5724.97
Previous : 5706.41

Frankfurt

	Close	Prev.
AEG	192.50	188
Allianz Hold	2128	2160
Altana	650	646
Asko	860	863
BASF	242	240.70
Bayer	278.90	278.10
Bay. Hypo bank	363	365
Bay Vereinsbk	407	405
BBC	726	N.A.
BHF Bank	377	381.50
BMW	502	500
Commerzbank	254	252
Continental	193.50	192.50
Daimler Benz	728	732.50
Degussa	340	339.80
Dt Babcock	162.50	157
Deutsche Bank	638.20	633.80
Douglas	702	716.50
Dresdner Bank	360	358.50
Harpener	262	276
Henkel	575	574.50
Hochtief	1273	1265
Hoechst	244	243.80
Hoesch	263.50	263.10
Holzmann	1241	1243
Horten	200.50	199
IWKA	307.50	307
Kali Salz	174.90	174.80
Karstadt	586	577
Kaufhof	468	457
KHD	159	160
Kloeckner Werke	133.20	132.50
Krupp Stahl	143	148
Linde	802.50	796.50
Lufthansa	135.50	135
MAN	377.80	375.30
Mannesmann	273	273.30
Metallgesell	490	491
Muench Rueck	2440	2410
Nixdorf	242.50	242.50
PKI	507	509.50
Porsche	825	824
Preussag	353.90	353.30
PWA	251.50	250.50
RWE	385.90	383.50
Rheinmetall	338	350
Schering	804	822
SEL	379.70	377
Siemens	653	652.30
Thyssen	226.90	226.10

Germany (continued)

	Close	Prev.
Varta	324	326
Veba	342.70	339.80
VEW	199	198.50
Viag	376	375.70
Volkswagen	357.50	356.90
Wella	660	660

DAX Index : 1622.54
Previous : 1622.31
FAZ Index : 675.29
Previous : 676.53

Helsinki

	Close	Prev.
Amer A	52	52.50
Enso-Gutzeit	17.80	N.A.
K.O.P.	33	33
Kymmene	66	N.A.
Metra	70.50	71
Nokia	95	95
Pohjola	95	N.A.
Repola	58.90	58.50
Stockmann	115	100

HEX Index : 1023.90
Previous : N.A.

Hong Kong

	Close	Prev.
Bk East Asia	18.60	18.30
Cathay Pacific	8.85	8.80
Cavendish Int'l	3.75	3.75
Cheung Kong	20.60	20.80
China Light Pwr	20.70	20.70
Dairy Farm Int'l	10.70	10.60
Hang Lung Dev	8.25	8.20
Hang Seng Bank	32	31.25
Henderson Land	13.30	13.40
HK Air Eng.	18.30	18.40
HK China Gas	10.80	10.80
HK Electric	12.40	12.30
HK Land	9.10	9.10
HK Realty Trust	6.35	4.35
HK Shang Bank	28.20	28.10
HK Shang Htls	4.95	4.80
HK Telecomm	6.90	6.85
HK Ferry	5.15	5.15
Hutch Whampoa	15.90	15.80
Hysan Dev	7.95	7.85
Jardine Math.	36	35.75
Jardine Str Hld	18.50	18.40
Kowloon Motor	7.45	7.45
Mandarin Orient	4.83	4.78
Miramar Hotel	5.80	5.70
New World Dev	11.40	11.30
SHK Props	22.20	22.10
Stelux	3.63	3.60
Swire Pac A	22.20	22
Tai Cheung Prps	4.78	4.78
TVE	1.58	1.58
Wharf Hold	10.50	10.60
Wing On Co	7.40	7.70
Winsor Ind.	9.90	9.90
World Int'l	5.85	5.80

Hang Seng Index : 4030.01
Previous : 4007.58

Johannesburg

	Close	Prev.
AECI	12	12
Altech	90	90
Anglo Amer	119	119
Barlows	47.50	47.50
Blyvoor	7	6.50
Buffels	41	41
De Beers	90.60	90.60
Driefontein	42	42
Gencor	14.10	14.10
GFSA	78.50	79.50
Harmony	19	18.75
Highveld Steel	17	17
Kloof	33.50	33.50
Nedbank Grp	14.50	14.25
Randfontein	15.50	15.50
Rusplat	69.25	69
SA Brews	57.25	57.25
St Helena	26	26
Sasol	14.40	14.40

London

	Close	Prev.
Abbey Nat'l	2.94	2.94
Allied Lyons	5.91	5.90
Arjo Wiggins	2.84	2.85
Argyll Group	3.12	3.13
ASDA Group	0.93	0.94
Ass Brit Foods	5.42	5.43
BAA	4.38	4.37
BAe	5.60	5.65
Bank Scotland	1.17	1.18
Barclays	4.62	4.75
Bass	9.20	9.15
BAT	7.40	7.40
BET	2.08	2.07
BICC	4.52	4.53
Blue Circle	2.66	2.64
BOC Group	5.84	5.73
Boots	4.15	4.20
BP	3.45	3.45
Brit Airways	1.73	1.74
Brit Gas	2.78	2.83
Brit Steel	1.18	1.19
Brit Telecom	3.83	3.86
BTR	4.16	4.18
Cable Wire	5.74	5.76
Cadbury Sch	3.66	3.65
Comm Union	5.34	5.13
Courtaulds	4.42	4.42
Enterprise Oil	5.25	5.26
Eurotunnel	4.40	4.47
Fisons	4.95	4.93
Forte	2.75	2.72
GEC	1.88	1.84
Gen'l Acc	5.57	5.37
Glaxo	13.05	12.84
Grand Met	7.84	7.96
GRE	1.80	1.85
Guinness	9.74	9.85
GUS	16	16
Hanson	2.12	2.10
Hawker Sidd	5.86	5.85
Hillsdown	2.36	2.37
ICI	13.41	13.33
Kingfisher	5.46	5.39
Ladbroke	2.70	2.70
Land Sec	5.09	5.08
Lasmo	3.27	3.31
Legal Gen Grp	4.40	4.38
Lloyds Bank	3.70	3.68
Lonrho	2.50	2.50
Lucas Ind	1.33	1.38
Marks Sp	2.85	2.84
Maxwell	2.01	2
MEPC	4.76	4.77
Midland Bk	2.08	2.12
Nat'l Power	1.49	1.52
NatWest	3.17	3.16
NthWst Water	N.A.	3.54
Pearson	7.48	7.50
P & O	5.91	5.86
Pilkington	1.53	1.52
PowerGen	1.57	1.58
Prudential	2.50	2.48
Racal Elec	2.18	2.12
Rank Org	6.80	6.73
Reckitt Col	6.45	6.70
Redland	5.65	5.59
Reed Intl	4.54	4.55
Reuters	8	7.77
RMC Group	6.64	6.57
Rolls Royce	1.56	1.55
Rothmans	10.63	10.60
Royal Ins	4.03	3.93
Royal Scot	1.88	1.91
RTZ	5.80	5.85
Sainsbury	3.74	3.75
Scot Newcas	4.12	4.09
Sears Holds	0.83	0.84
Severn Trent	N.A.	3.29
Shell	5.39	5.37
Smith Nephew	1.36	1.36
SmithKline B	7.79	7.96
Sun Alliance	3.74	3.66
Tarmac	2.23	2.21
Tate & Lyle	3.94	3.92
Tesco	2.80	2.77
Thorn EMI	7.60	7.49
Trafalgar Hse	2.20	2.13
TSB Group	1.42	1.43
Ultramar	2.76	2.77
Unilever	7.61	7.55
Utd Biscuits	3.94	3.91
War Loan 3½	35.19	35.06
Wellcome	7.06	7.18
Whitbread	5.03	5
Williams Hdgs	3.27	3.23
Willis Corroon	3.15	3.14

F.T. 30 Index : 2005.40
Previous : 2004.70
F.T.S.E. 100 Index : 2597.70
Previous : 2588.80

Madrid

	Close	Prev.
Bco. Bilbao/Viz.	3105	3095
Banco Central	4305	4295
Bco. Santander	5200	5190
Banesto	3775	3595
CEPSA	2285	2285
Dragados	2385	2390
Iberduero	679	680
Telefonica	949	944

S.E. General Index : 271.20
Previous : 269.35

Milan

	Close	Prev.
Alenia	2868	2851
Banca Comm	4905	4890
Bastogi	224	219
Benetton group	9831	9790
Ciga hotels	2300	2304
CIR	2955	2905
Cred Ital	2790	2740
Enichem	1470	1470
Eridania	7465	7370
Ferfin	2201	2148
Ferfin Risp	1375	1352
Fiat SPA	6170	6030
Generali	32150	32000
IFI	16275	15800
Italcem	22770	22555
Italgas	3277	3261
Italmobiliare	76500	76000
Mediobanca	16000	15720
Montedison	1490	1464
Olivetti	3940	3840
Pirelli	2015	2022
RAS	19400	19450
Rinascente	7568	7430
Saipem	1428	1423
SIP	1150	1144
SME	3248	3230
Snia	1500	1446
Standa	35050	35150
Stet	2069	2054
Toro Assi Risp	23800	23600

MIB Index : 1125
Previous : 1116

Montreal

	Close	Prev.
Alcan Aluminum	24⅛	24¼
Bank Montreal	36½	36¼
Bell Canada	44⅛	44½
Bombardier A	23¾	23⅞
Bombardier B	23⅞	23¾
Cambior	10⅛	10⅛
Cascades	4.90	4.90
Dominion Text A	6¼	6½
Donohue	13½	N.Q.
MacMillan Bl	21	21
Memotec	9¾	9¾
Natl Bk Canada	11	11
Power Corp.	16	16
Provigo	11¼	11⅞
Quebec Tel	16	15⅛
Quebecor A	17½	N.Q.
Quebecor B	16¾	16⅞
Videotron	13⅞	13⅞

Industrials Index : 1616.34
Previous : 1612.74

Paris

	Close	Prev.
Accor	758	756
Air Liquide	653	653
Alcatel Alsthom	575	572
Bancaire (Cie)	497	480
BIC	724	722
Bongrain	N.A.	2340
Bouygues	563	565
BSN-GD	892	889
Carrefour	1945	1944
Cerus	123.50	122
Chargeurs	757	755
Club Med	431.50	425
Dassault Aviatn	N.A.	435
Elf-Aquitaine	355.90	351.70
Europe 1	N.A.	1070
Gen. Eaux	2354	2338
Hachette	177	172.30
Havas	477.20	468
Imetal	289	283
Lafarge Coppee	353.90	354
Legrand	3535	3501
Oreal (L')	596	585
L.V.M.H.	4283	4260
Matra	197.40	197.20
Merlin Gerin	484	466
Michelin B	98.50	97.50
Moulinex	157	154
Occidentale	N.A.	—
Paribas	418.50	415.60
Pernod-Ricard	1200	1163
Perrier	1350	1336
Peugeot	563	571
Printemps (Au)	795	790
Radiotechnique	N.Q.	—
Raff. St. Louis	1475	1466
Redoute (La)	4265	4200
Roussel Uclaf	N.A.	1680
Saint Gobain	465.70	465
Sanofi	878	859
S.E.B.	1630	1625
Skis Rossignol	N.A.	685
Ste Generale A	433.50	427
Suez	329.30	328
Thomson-CSF	125.50	124.30
Total	869	870
Valeo	533	525

CAC 40 Index : 1766.81
Previous : 1754.73

Sao Paulo

	Close	Prev.
Banco do Brasil	160	155
Bradesco	9.90	9.51
Brahma	51	50
Paranapanema	5.86	5.23
Petrobras	1681	1615
Vale Rio Doce	224	234
Varig	32.50	32

Bovespa Index : 19250
Previous : 18914

Singapore

	Close	Prev.
City Dev.	3.30	3.32
DBS	12.20	12.20
Fraser Neave	8.45	8.45
Harrisons Plant	1.29	1.28
Haw Par	2.61	2.61
Hume	3.70	3.60
Inchcape	4.20	4.22
Keppel	7.50	7.60
KL Kepong	2.67	2.66
Lum Chang	1.12	1.13
Malayan Banka	4.16	4.22
OCBC	8.70	8.60
OUB	5.30	5.35
OUE	6.70	6.75
Sembawang	7.05	6.90
Shangrila	5.80	5.85
Sime Darby	2.46	2.53
SIA	13.60	13.60
S'pore Land	5.75	5.80
S'pore Press	8.90	8.90
Sing Steamship	2.35	2.38
Straits Trading	2.80	2.80
UOB	6.95	6.90
United Overseas	1.57	1.59

Straits Times Ind. : 1482.42
Previous : 1482.87

Stockholm

	Close	Prev.
AGA	315	320
Alfa Laval	N.Q.	255
Asea	415	410
Astra-A	643	634
Atlas Copco	275	268
Electrolux B	274	272
Ericsson	191	190
Esselte-A	160	162
Handelsbanken	132	132
Norsk Hydro	183.50	184
Procordia AF	185	185
Sandvik	360	360
SCA-A	120	120
S-E. Banken	78.50	78
Skandia F	186	186
Skanska	390	382
SKF	112	112
Stora	357	353
Trelleborg B	126	126
Volvo	364	363

Affaersvaerlden : 1109.59
Previous : 1105.30

Sydney

	Close	Prev.
ANZ	3.87	3.84
BHP	13.55	13.45
Boral	3.39	3.39
Bougainville	0.70	0.72
Coles Myer	11.05	11
Comalco	4.04	4.06
CRA	14.30	14.15
CSR	5.42	5.36
Dunlop	5.10	5.10
Fosters Brew	1.73	1.72
ICI Australia	4.17	4.16
Magellan	2.20	2.20
MIM	2.10	2.13
Nat Aust Bank	7	6.96
News Corp	8.16	8.16
Nine Network	0.56	0.55
N Broken Hill	2.46	2.42
Poseidon	1.22	1.20
QCT Resources	1.29	1.29
Santos	3.55	3.53
TNT	0.81	0.81
Western Mining	5.58	5.50
Westpac Banking	4.66	4.64
Woodside	3.40	3.40

All ordinaries index : 1577.70
Previous : 1572.30

Tokyo

	Close	Prev.
Akai Electr	1150	1180
Asahi Chemical	755	755
Asahi Glass	1220	1220
Bank of Tokyo	1320	1300
Bridgestone	1040	1050
Canon	1570	1580
Casio	1440	1460
C.Itoh	653	655
Dai Nippon Print	1510	1510
Daiwa House	1910	1900
Daiwa Securities	1310	1330
Fanuc	5140	5150
Fuji Bank	2590	2600
Fuji Photo	3600	3620
Fujitsu	1090	1090
Hitachi	1160	1170
Hitachi Cable	1100	1110
Honda	1480	1510
Ito Yokado	4570	4560
Japan Airlines	1210	1230
Kajima	1500	1530
Kansai Power	2880	2890
Kawasaki Steel	408	410
Kirin Brewery	1490	1490
Komatsu	880	881
Kubota	690	699
Kyocera	6300	6390
Matsu Elec Inds	1720	1720
Matsu Elec Wks	1600	1590
Mitsubishi Bk	2600	2620
Mitsubishi Kasei	516	515
Mitsubishi Elec	698	698
Mitsubishi Hev	726	728
Mitsubishi Corp	1310	1310
Mitsui and Co	768	767
Mitsukoshi	1250	1250
Mitsumi	1710	1730
NEC	1470	1490
NGK Insulators	1080	1060
Nikko Securities	979	990
Nippon Kogaku	1160	1160
Nippon Oil	1000	1000
Nippon Steel	419	422
Nippon Yusen	620	626
Nissan	736	739
Nomura Sec	1830	1850
NTT (SF)	9430	9239
Olympus Optical	1310	1330
Pioneer	3950	3980
Ricoh	715	730
Sanyo Elec	575	578
Sharp	1610	1600
Shimazu	786	800
Shinetsu Chem	1440	1660
Sony	6250	6260
Sumitomo Bk	2260	2260
Sumitomo Chem	460	467
Sumi Marine	978	978
Sumitomo Metal	444	445
Taisei Corp	920	930
Taisho Marine	1030	1010
Takeda Chem	1600	1600
TDK	6080	6140
Teijin	552	555
Tokyo Marine	1300	1300
Tokyo Elec Pw	3690	3710
Toppan Printing	1360	1380
Toray Ind.	652	658
Toshiba	753	754
Toyota	1650	1650
Yamaichi Sec	962	969

Nikkei 225 : 24073
Previous : 24121
Topix Index : 1852
Previous : 1859

Toronto

	Close	Prev.
Abitibi Price	16⅛	16
Agnico Eagle	5⅛	5⅛
Air Canada	9	9⅛
Alberta Energy	13¾	13⅞
Am Barrick Res	27	26⅞
BCE	44½	44½
BCED	0.14	0.15
Bk Nova Scotia	18	18
BC Gas	15¼	15⅛
BC Phone	19½	19⅞
BP Canada	14	14⅛
Bramalea	6⅛	6¼
Brunswick	8⅛	7⅞
CAE	7¼	7¼
Campeau	0.50	0.50
CIBC	30⅛	30
Canadian Pacific	19⅛	19½
Can Packers	16⅛	N.Q.
Can Tire A	24⅞	24⅞
Canadian Turbo	2.30	2.30
Cantor	25¼	25⅛
Cara	5⅛	5⅛
CCL Ind B	10⅛	11
Cineplex	4.65	4.90
Cominco	24	23⅞
Conwest Expl A	N.Q.	12½
Denison Min B	0.33	0.31
Dickenson Min A	2.90	N.Q.
Dofasco	22½	21⅞
Dylex A	4¼	4.40
Echo Bay Mines	10⅛	10½
Equity Silver A	1.05	1.06
FCA Intl	6	6
Fed Ind A	7¼	7⅛
Fletcher Chall A	18¼	18½
FPI	6⅛	6⅛
GoldCorp	3.60	3.70
Gulf Cda Res	8⅞	8⅞
Hees Intl	17⅞	17⅞
Hemlo Gld Mines	11¼	11¼
Hollinger	11⅛	11⅛
Horsham	11⅛	11⅛
Hudson's Bay	34½	35¾
Imasco	29¼	28¾
Inco	41½	41⅞
Interprov pipe	29⅞	29¾
Jannock	15½	15⅝
Labatt	25¼	25
Loblaw Co	20⅞	20½
Mackenzie	6⅛	6¼
Magna Intl A	13	12⅞
Maritime	19⅞	19⅞
Mark Res	7⅛	7⅛
MacLean Hunter	10⅛	10¼
Molson A	28	28
Noma Ind A	7⅞	7⅞
Noranda	19⅝	19¼
Noranda Forest	8	8⅛
Norcen Energy	21¾	21⅞
Nova Corp	7⅛	7⅛
Oshawa	28¾	28½
Pagurin A	6	5⅞
Placer Dome	15⅛	15⅛
Poco Petroleum	7¼	7⅞
PWA Corp	6⅞	7
Quebec Sturgeon	0.27	0.25
Rayrock	7½	7½
Renaissance	15½	15⅞
Rogers B	10⅛	9⅞
Rothmans	68	67
Royal Bank Can	25⅞	25¾
Royal TrustCo	9⅛	9
Sceptre Res	3.05	3.85
Scott's Hosp	18⅛	18⅛
Seagram	124¾	125½
Sears Can	12⅞	12¾
Shell Can	44⅞	44¼
Sherritt Gordon	7⅞	7⅞
SHL Systemhse	6⅞	6⅞
Southam	17¾	17½
Spar Aerospace	14½	14¼
Stelco A	6½	6½
Teck B	22⅞	22¼
Thomson News	14½	14½
Toronto Domn	18⅛	18⅜
Torstar B	24⅞	24⅞
Transalta Util	12¾	12¾
TransCda Pipe	16⅞	17
Trilon Finl A	18	18⅛
Trimac	8¼	8⅞
Trizec A	13½	13⅞
Unicorp A	N.Q.	0.80
Woodward's Ltd	3	N.Q.

TSE 300 Index : 3537.20
Previous : 3539.70

Market Closed

The stock market in Zurich was closed Thursday for a holiday.

For investment information read THE MONEY REPORT every Saturday in the IHT

U.S. FUTURES

Via Associated Press August 1

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
3.26	2.58½	Sep	2.95	3.00	2.95	2.95½	+.01½
3.25	2.72½	Dec	3.09	3.14	3.06	3.08	—.00¼
3.70¾	2.79	Mar	3.15½	3.20	3.15¼	3.15½	+.01¼
3.31	2.80½	May	3.12	3.17	3.12	3.13	+.01½
3.11	2.79½	Jul	3.06½	3.09	3.02	3.02½	—.02¼
Est. Sales		Prev. Sales 11,141					
Prev. Day Open Int. 55,135 off 222							
WHEAT (KCBT) 5,000 bu minimum- dollars per bushel							
		Sep	2.97½	3.02¼	2.97	2.99¼ +	.03½
		Dec	3.06	3.11¼	3.05½	3.08½ +	.04½
		Mar	3.11	3.16	3.10½	3.13¼ +	.02¾
		May	3.06½	3.06½	3.03	3.03 +	.01
		Jul	3.01	3.03	3.01	3.02½ +	.02¼
Est.Sales		Prv.Sales 8,114		Prev.Day Open Int 39,855			Chg. —131
CORN (CBT) 5,000 bu minimum- dollars per bushel							
2.87½	2.18½	Sep	2.60¼	2.66	2.60¼	2.62½	+.04½
2.75	2.20	Dec	2.66	2.72	2.66	2.68¼	+.05
2.75¼	2.28½	Mar	2.73	2.77¼	2.72½	2.74¼	+.04
2.79½	2.34¼	May	2.76¼	2.79	2.74¾	2.77½	+.05¼
2.82	2.39½	Jul	2.78	2.80½	2.76	2.79	+.05
2.65	2.36½	Sep	2.60	2.63	2.60	2.60¼	+.02¼
2.59¾	2.36½	Dec	2.55	2.57	2.53	2.54½	+.02½
Est. Sales		Prev. Sales 61,433					
Prev. Day Open Int. 222,206 up 5,664							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
6.95	.00¼	Aug	5.93	6.15½	5.91	6.14	+.31
6.54	5.13½	Sep	6.00½	6.20	5.96	6.17½	+.27½
6.74	5.17	Nov	6.09	6.30½	6.08	6.28	+.27½
6.49½	5.27½	Jan	6.20	6.38¼	6.19	6.36½	+.28¼
6.60	5.38	Mar	6.28	6.48	6.27	6.45	+.27
6.62½	5.47	May	6.36	6.52	6.35	6.50	+.23¼
6.47	5.87	Jul	6.40	6.54½	6.39	6.52	+.20½
6.28	6.14	Aug	6.37	6.45	6.37	6.45	+.17
6.02	5.57	Sep	6.05	6.15	6.05	6.13	+.17
6.20¾	5.52	Nov	6.00	6.08	5.98	6.04	+.11
Est. Sales		Prev. Sales 79,404					
Prev. Day Open Int. 87,662 off 3,184							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
195.50	159.70	Aug	185.00	191.40	184.20	190.90	+6.90
193.50	160.00	Sep	184.50	190.50	183.10	190.10	+9.50
189.00	159.90	Oct	184.50	188.60	182.50	188.50	+9.00
191.50	160.00	Dec	183.00	190.40	183.00	189.90	+9.30
190.50	161.30	Jan	184.50	189.90	184.00	189.00	+8.30
1180.00	163.50	Mar	185.00	190.50	184.50	190.10	+8.60
191.00	164.50	May	186.00	190.50	185.00	189.50	+7.50
187.00	166.00	Jul	185.00	188.00	185.00	189.50	+6.80
Est. Sales		Prev. Sales 18,676					
Prev. Day Open Int. 53,014 up 1,732							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
25.50	18.18	Aug	21.55	22.32	21.45	21.92	+.58
25.10	18.37	Sep	21.75	22.51	21.63	22.17	+.66
24.90	18.50	Oct	21.90	22.62	21.82	22.35	+.73
24.05	18.81	Dec	22.25	23.02	22.18	22.72	+.70
24.15	19.00	Jan	22.48	23.16	22.40	22.84	+.68
23.50	19.32	Mar	23.40	23.45	23.25	23.17	+.72
23.62	19.62	May	23.05	23.60	23.05	23.32	+.72
23.27	19.90	Jul				23.45	+.75
22.10	20.05	Aug				23.45	+.70
Est. Sales		Prev. Sales 34,763					
Prev. Day Open Int. 74,181 off 524							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.- cents per lb.							
75.80	70.35	Aug	70.60	70.80	69.80	69.85	—.55
76.90	70.70	Oct	73.48	73.65	72.70	72.75	—.46
77.00	71.75	Dec	75.15	75.45	74.70	74.75	—.25
76.70	72.80	Feb	74.85	75.12	74.65	74.72	—.05
77.00	74.80	Apr	75.35	75.70	75.30	75.30	+.05
75.15	72.60	Jun	73.50	73.90	73.48	73.70	+.20
72.50	72.00	Aug	72.60	72.60	72.60	72.45	+.20
Est. Sales 17,959		Prev. Sales 22,837					
Prev. Day Open Int. 70,035 off 152							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
90.15	80.20	Aug	87.35	87.43	86.15	86.20	—1.37
88.95	79.75	Sep	86.05	86.25	84.95	85.00	—1.35
88.30	80.20	Oct	85.42	85.55	84.25	84.45	—1.12
88.10	81.20	Nov	85.40	85.55	84.50	84.57	—1.05
87.80	84.00	Jan	85.00	85.00	84.35	84.42	—.73
87.10	84.50	Mar	84.40	84.40	83.85	83.85	—.70
87.00	84.20	Apr	84.00	84.00	83.53	83.55	—.70
86.50	83.30	May	83.10	83.10	82.80	82.80	—.50
Est. Sales 4,643		Prev. Sales 2,571					
Prev. Day Open Int. 15,006 off 40							
HOGS (CME) 40,000 lbs.- cents per lb.							
55.50	46.90	Aug	53.42	53.70	53.05	53.22	—.20
49.55	42.50	Oct	45.10	45.80	44.95	45.25	
48.92	42.85	Dec	45.00	45.57	44.90	45.27	+.27
48.25	42.85	Feb	45.00	45.67	45.00	45.30	+.25
46.62	41.50	Apr	43.35	43.95	43.35	43.40	+.28
50.60	45.70	Jun	47.85	48.00	47.85	47.80	+.25
47.45	45.80	Jul	47.82	47.82	47.82	48.05	+.35
46.85	46.00	Aug				46.50	+.20
Est. Sales 6,179		Prev. Sales 4,986					
Prev. Day Open Int. 17,265 up 285							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
70.05	40.30	Aug	43.20	43.70	42.25	43.40	+.15
63.00	45.10	Feb	51.55	51.70	50.10	50.50	—.57
61.00	44.75	Mar	51.10	51.20	49.85	50.20	—.40
58.20	46.20	May	52.20	52.50	51.10	50.80	—.30
57.00	47.50	Jul				52.00	—.30
47.67	45.67	Aug	51.00	51.00	50.00	48.52	—.48
Est. Sales 2,090		Prev. Sales 3,769					
Prev. Day Open Int. 5,829 off 444							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb							
113.50	79.60	Sep	81.20	83.75	81.05	82.00	+1.60
116.00	83.05	Dec	84.55	87.00	84.50	86.35	+1.55
107.50	86.25	Mar	87.75	90.00	87.75	89.50	+1.55
108.00	88.50	May	90.15	92.55	90.15	92.15	+2.00
108.00	91.40	Jul	93.00	94.75	93.00	95.50	+2.50
108.00	95.00	Sep	95.50	95.50	95.50	98.00	+3.10
103.25	100.50	Dec				97.50	+.50
Est. Sales 10,529		Prev. Sales 7,100					
Prev. Day Open Int. 42,294 up 364							
SUGARWORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
14.40	7.45	Oct	9.59	9.77	9.58	9.76	+.08
10.14	7.56	Mar	8.80	8.96	8.78	8.95	+.19
9.77	7.65	May	8.77	8.90	8.76	8.90	+.15
9.06	7.85	Jul	8.76	8.89	8.75	8.87	+.12
9.00	8.05	Oct	8.82	8.89	8.80	8.87	+.15
Est. Sales 18,829		Prev. Sales 25,930					
Prev. Day Open Int.							
COCOA (NYCSCE) 10 metric tons- $ per ton							
1515	893	Sep	1048	1055	1028	1035	[illegible]
1535	953	Dec	1102	1108	1084	1089	[illegible]
1538	997	Mar	1142	1150	1125	1130	[illegible]
1385	1026	May	1167	1170	1165	1154	[illegible]
1385	1056	Jul	1195	1202	1183	1184	[illegible]
1228	1080	Sep	1223	1223	1210	1209	[illegible]
1272	1119	Dec	1260	1263	1240	1242	—11
		Mar	1290	1291	1285	1283	—16
1282	1210	May				1309	—16
Est. Sales 7,467		Prev. Sales 7,232					
Prev. Day Open Int. 54,122 off 36,676							
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
127.00	106.00	Sep	117.95	118.50	117.40	118.45	+.10
121.00	111.00	Nov	117.35	117.50	117.00	117.50	+.15
120.50	113.40	Jan	116.95	116.95	116.20	116.50	—.05
120.80	113.60	Mar	117.50	117.50	116.80	117.25	+.10
120.00	115.00	May	117.20	117.70	117.20	117.90	+.10
119.00	116.00	Jul				118.10	+.05
		Sep				118.10	
Est. Sales		Prev. Sales 274					
Prev. Day Open Int. 5,720 off 44							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
HI GRADE COPPER (COMEX) 25,000 lbs.- cents per lb.							
109.00	96.10	Aug	101.20	101.40	100.20	100.30	—.70
118.50	9.20	Sep	101.50	102.10	100.50	100.80	—.50
106.90	95.30	Oct	100.20	100.20	100.20	100.40	—.40
105.00	95.10	Nov				99.95	—.55
108.50	94.50	Dec	100.40	100.70	99.20	99.50	—.75
104.50	95.00	Jan	100.00	100.10	99.90	99.05	—.75
105.10	95.00	Feb				98.50	—.75
106.80	93.90	Mar	99.00	99.10	98.40	98.05	—.75
99.10	93.50	Apr				97.55	—.75
104.20	93.30	May	97.80	97.80	97.40	97.10	—.70
97.50	95.10	Jun				96.65	—.70
103.80	92.80	Jul	96.40	96.40	96.40	96.20	—.70
103.45	92.80	Sep				95.40	—.70
100.50	91.60	Dec	95.50	95.50	95.50	94.85	—.75
93.45	2.50	Jan				94.60	—.75
96.65	92.80	Mar				94.30	—.80
		May				94.00	—.80
Est. Sales 6,000		Prev. Sales 3,289					
Prev. Day Open Int. 32,593 up 137							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
446.0	401.0	Aug				402.9	—2.6
654.0	367.5	Sep	406.0	408.0	404.0	405.3	—2.5
		Oct				407.6	—2.5
623.5	374.0	Dec	413.0	414.5	411.0	412.2	—2.5
596.0	402.0	Jan				413.7	—2.5
613.0	382.0	Mar	421.5	422.0	419.0	419.7	—2.5
589.0	385.0	May	425.0	425.5	425.0	424.8	—2.5
557.0	395.0	Jul	431.0	431.0	431.0	430.0	—2.5
483.0	412.0	Sep				435.4	—2.5
507.0	408.0	Dec	444.0	445.5	444.0	444.0	—2.6
505.0	440.0	Jan				447.1	—2.6
513.0	449.2	Mar				453.1	—2.6
473.0	462.0	May				459.5	—2.6
Est. Sales 9,000		Prev. Sales 10,525					
Prev. Day Open Int. 96,529 up 91							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
513.00	358.50	Oct	367.00	367.40	364.00	364.30	—2.70
451.50	364.50	Jan	371.00	371.50	368.50	368.80	—2.70
438.50	368.50	Apr	376.00	376.00	376.00	372.80	—2.70
427.50	376.50	Jul	380.00	380.00	380.00	376.70	—2.70
404.00	379.00	Oct				384.70	—2.70
Est. Sales		Prev. Sales 1,909					
Prev. Day Open Int. 19,138 up 50							
PALLADIUM (NYME) 100 troy oz- dollars per oz							
119.40	80.75	Sep	88.50	88.50	87.75	88.15	+.25
114.50	82.50	Dec	89.00	89.70	89.00	89.25	+.25
135.75	88.75	Mar				90.05	+.25
101.75	89.95	Jun				91.55	+.25
Est. Sales		Prev. Sales 228					
Prev. Day Open Int. 4,366 up 31							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
468.00	333.90	Aug	363.60	363.70	362.80	363.20	—.40
375.00	363.50	Sep				364.80	—.50
476.00	359.30	Oct	366.80	367.00	366.30	366.70	—.50
483.00	362.00	Dec	370.70	370.90	370.00	370.30	—.50
456.50	366.00	Feb	374.30	374.30	373.80	373.80	—.50
446.00	369.70	Apr	377.60	377.60	376.90	377.20	—.50
467.00	375.00	Jun				380.70	—.50
426.50	377.50	Aug				384.30	—.50
410.80	389.50	Oct				387.90	—.40
406.80	383.50	Dec				391.70	—.40
404.20	404.20	Feb				395.70	—.40
410.00	398.50	Apr				399.80	—.40
411.80	409.50	Jun				404.10	—.40
Est. Sales 13,000		Prev. Sales 21,383					
Prev. Day Open Int. 87,490							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million- pts of 100 pct.							
94.55	91.60	Sep	94.53	94.54	94.46	94.47	—.05
94.28	92.24	Dec	94.27	94.28	94.21	94.22	—.06
94.22	93.42	Mar				94.16	—.06
93.79	93.15	Jun				93.75	—.04
		Sep				93.28	
Est. Sales 6,611		Prev. Sales 9,902					
Prev. Day Open Int. 57,180 up 1,409							
5 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
00.230	98.275	Sep	100.205	100.210	100.145	100.150	—.030
00.000	98.190	Dec	100.015	100.015	99.265	99.270	—.035
Est. Sales		Prev. Sales 6,913					
Prev. Day Open Int. 75,388 up 300							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
100-1	96-1	Sep	98-18	98-19	98-6	98-8	—7
98-12	95-15	Dec	97-29	97-29	97-17	97-19	—6
97-5	95-8	Mar				97-2	—6
Est. Sales		Prev. Sales 28,889					
Prev. Day Open Int. 82,601 off 1,621							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
99-5	85-29	Sep	95-1	95-1	94-13	94-18	—9
98-20	85-19	Dec	94-10	94-10	93-22	93-26	—9
98-13	85-14	Mar	93-13	93-13	93-2	93-6	—9
97-19	85-3	Jun	92-20	92-20	92-15	92-17	—9
95-8	87-14	Sep	92-4	92-4	91-29	91-30	—9
94-11	85-6	Dec	91-17	91-17	91-12	91-12	—10
94-26	90-16	Mar				90-28	—10
90-23	90-22	Jun				90-13	—10
90-9	90	Sep				89-31	—10
Est. Sales		Prev. Sales 197,427					
Prev. Day Open Int. 289,093 up 4,696							
MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct							
92-12	84-7	Sep	92-10	92-12	92-3	92-5	—5
91-14	88-16	Dec	91-12	91-12	91-7	91-9	—5
89-24	88	Mar				90-16	—5
Est. Sales		Prev. Sales 1,356					
Prev. Day Open Int. 6,266 up 75							
EURODOLLARS (IMM) $1 million-pts of 100 pct.							
93.90	90.04	Sep	93.88	93.89	93.82	93.84	—.02
93.45	90.04	Dec	93.45	93.46	93.37	93.39	—.05
93.41	90.09	Mar	93.39	93.41	93.32	93.33	—.06
92.96	90.35	Jun	92.93	92.95	92.90	92.91	—.02
92.49	90.32	Sep	92.46	92.47	92.42	92.44	—.01
92.10	90.24	Dec	91.98	91.99	91.94	91.96	—.01
92.03	90.28	Mar	91.99	92.00	91.95	91.98	
91.89	90.27	Jun	91.79	91.81	91.76	91.78	
91.81	90.27	Sep	91.59	91.61	91.57	91.58	
91.66	90.22	Dec	91.31	91.33	91.29	91.30	
91.66	90.24	Mar	91.34	91.36	91.32	91.33	
91.57	90.40	Jun	91.25	91.27	91.23	91.24	
91.52	90.36	Sep	91.16	91.16	91.13	91.15	
91.44	90.71	Dec	91.00	91.01	90.97	90.99	
91.09	90.75	Mar	91.03	91.04	91.01	91.02	
90.99	90.71	Jun	90.98	90.98	90.96	90.97	
Est. Sales 175,496		Prev. Sales 160,680					
Prev. Day Open Int. 824,563 up 4,980							
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.9340	1.5824	Sep	1.6738	1.6744	1.6608	1.6640	—122
1.7900	1.5678	Dec	1.6550	1.6556	1.6420	1.6458	—118
1.6490	1.5670	Mar	1.6300	1.6302	1.6300	1.6314	—118
Est. Sales 15,948		Prev. Sales 11,020					
Prev. Day Open Int. 20,593 up 474							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8718	.7985	Sep	.8665	.8672	.8662	.8667	+10
.8667	.8175	Dec	.8612	.8618	.8612	.8613	+9
.8630	.8268	Mar	.8566	.8566	.8566	.8567	+7
.8585	.8330	Jun				.8520	+5
.8480	.8420	Sep				.8475	+2
Est. Sales 2,496		Prev. Sales 2,726					
Prev. Day Open Int. 22,297 off 556							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.6810	.5401	Sep	.5698	.5702	.5655	.5668	—45
.4770	.5365	Dec	.5652	.5656	.5610	.5621	—46
.5840	.5353	Mar	.5579	.5579	.5579	.5581	—46
.5540	.5355	Jun				.5545	—46
Est. Sales 36,777		Prev. Sales 35,157					
Prev. Day Open Int. 68,648 off 33							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.007870	.007003	Sep	.007271	.007276	.007243	.007256	—18
.007559	.006997	Dec	.007255	.007256	.007227	.007238	—10
.007302	.007000	Mar	.007230	.007230	.007230	.007235	—9
.007220	.007150	Jun				.007236	—8
Est. Sales 15,090		Prev. Sales 13,210					
Prev. Day Open Int. 49,013 off 80							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.8055	.6254	Sep	.6544	.6544	.6486	.6504	—48
.8090	.6240	Dec	.6512	.6512	.6455	.6476	—48
.6995	.6267	Mar				.6458	—48
Est. Sales		Prev. Sales 21,503					
Prev. Day Open Int. 33,225 off 594							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
83.30	66.77	Oct	68.07	70.25	67.92	69.55	+1.28
76.35	63.75	Dec	68.43	69.45	68.00	69.08	+.38
77.15	64.65	Mar	69.80	70.84	69.40	70.30	+.30
92.25	65.10	May	70.50	70.55	70.30	70.95	+.30
77.70	66.50	Jul	71.11	71.50	71.81	71.63	+.38
70.60	68.00	Oct				68.78	+.03
69.00	67.20	Dec	68.00	68.10	68.00	68.03	—.02
Est. Sales		Prev. Sales 2,310					
Prev. Day Open Int. 40,441 off 315							
HEATING OIL (NYME) 42,000 gal- cents per gal							
84.28	58.25	Sep	60.30	60.90	59.40	59.45	—1.21
85.00	51.30	Oct	61.20	61.80	60.40	60.50	—1.09
78.00	52.30	Nov	62.20	62.75	61.50	61.50	—1.06
82.62	53.30	Dec	63.10	63.65	62.30	62.40	—1.11
68.50	53.40	Jan	63.30	63.75	62.50	62.50	—1.26
62.30	52.25	Feb	61.80	62.40	61.40	61.50	—.76
59.80	51.40	Mar	59.60	59.75	59.50	59.50	—.16
57.50	50.00	Apr	57.45	57.65	57.40	57.50	+.04
55.75	48.25	May	55.80	56.00	55.60	56.00	+.19
56.00	51.40	Jul	54.60	54.60	54.60	54.60	+.19
Est. Sales		Prev. Sales 30,442					
Prev. Day Open Int. 114,129 up 2,459							
CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.							
28.72	16.90	Sep	21.61	21.84	21.25	21.27	—.41
28.40	17.04	Oct	21.59	21.78	21.15	21.17	—.47
28.10	17.20	Nov	21.48	21.66	21.19	21.20	—.44
27.70	17.10	Dec	21.40	21.49	21.00	21.00	—.43
27.40	17.25	Jan	21.30	21.35	20.95	20.95	—.35
27.00	17.50	Feb	21.18	21.20	20.80	20.80	—.37
26.75	17.25	Mar	21.06	21.06	20.70	20.70	—.34
26.50	17.50	Apr	20.93	20.93	20.56	20.56	—.36
24.60	17.30	May	20.77	20.80	20.77	20.80	—.34
24.50	17.70	Jun	20.74	20.74	20.55	20.55	—.23
22.11	17.90	Jul				20.80	+.05
21.33	17.75	Aug	20.67	20.75	20.67	20.75	—.01
21.35	18.85	Oct	20.80	20.80	20.75	20.75	—.05
20.91	20.10	Jan	20.78	20.78	20.65	20.65	—.23
Est. Sales		Prev. Sales 70,665					
Prev. Day Open Int. 268,247 up 2,006							
UNLEADED GASOLINE (NYME) 42,000 gal- cents per gal							
87.00	51.60	Sep	65.20	66.30	64.85	65.25	—.88
86.75	49.75	Oct	62.25	63.20	61.80	61.80	—.56
64.75	48.60	Nov	60.65	61.05	59.80	60.00	—.56
75.25	47.75	Dec	59.00	59.60	58.40	58.40	—.71
58.70	47.00	Jan	58.80	58.80	57.60	57.60	—.81
58.75	50.70	Feb	58.30	58.70	57.85	57.85	—.71
63.40	57.30	Apr	63.00	63.00	63.00	63.00	+.10
60.50	58.60	Jul	61.20	61.20	61.20	61.20	+.85
Est. Sales		Prev. Sales 38,937					
Prev. Day Open Int. 74,503 off 1,322							

Stock Indexes

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
396.05	304.00	Sep	387.90	389.15	387.30	388.95	+.55
399.05	321.75	Dec	390.80	392.00	390.25	391.95	+.60
401.05	380.00	Mar				395.25	+.60
395.00	392.50	Jun				398.20	+.90
Est. Sales		Prev. Sales 31,309					
Prev. Day Open Int. 147,454 up 1,361							
NYSE COMP. INDEX (NYFE) points and cents							
216.40	173.10	Sep	212.45	213.15	212.20	213.05	+.40
217.60	175.50	Dec	213.85	214.55	213.85	214.50	+.40
217.90	207.20	Mar				215.95	+.40
216.00	208.90	Jun				217.40	+.40
Est. Sales		Prev. Sales 3,491					
Prev. Day Open Int. 4,936 up 3							

Commodity Indexes

	Close	Previous
Moody's	1,060.80	1,057.50
Reuters	1,692.50	1,724.10
Dow Jones Futures	124.17	123.71
Comm. Research	216.55	214.08

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

Full Profit Jumps At Deutsche Bank

Reuters

FRANKFURT — Germany's largest commercial bank, Deutsche Bank AG, on Thursday reported that its full group operating profit rose to 3.16 billion Deutsche marks ($1.81 billion) in the first half of 1991.

Higher profit from interest business and securities trade for its own account contributed significantly to profit growth in the period, the bank said in its interim report.

Full operating profit was up 23.4 percent, when compared with one-half of its full operating result for the 1990 year of 2.56 billion DM, it said.

The bank released full operating profit, which includes profits from trading on its own account, for the first time in 1990. Some German banks do not reveal full operating figures.

A slight improvement in margins on its interest business and strong growth in credit volume bolstered the group's interest surplus, pushing it up to 5.2 billion DM in the first half from 4.2 billion DM in the same period of 1990.

Group credit volume rose by 16.4 billion DM to 289.7 billion DM, as domestic clients took up more short- and medium-term loans, while foreign customers on the whole took up credits with maturities from four years.

The group's surplus on its commission business rose 4.4 percent to 1.87 billion DM, with profits from its transfers and payments business, foreign activities and the sale of investment certificates rising satisfactorily.

Commission revenues from share transactions eased as a result of a drop in volumes, Deutsche Bank said.

Group partial operating profit, excluding profits from own-account trading, rose 11.8 percent to 2.46 billion DM from 2.2 billion DM. The rise was at the bottom end of market expectations.

In the first half a considerable profit was posted on own-account trading in securities, with about equal contributions from share and bond trading. Profits from currency trading were also satisfactory, Deutsche Bank said.

■ BHF Earnings Up

The Berliner Handels- & Frankfurter Bank said on Thursday its group partial operating profit rose to 129 million DM from 119 million DM in the same 1990 period, Reuters reported from Frankfurt.

Meanwhile, Westdeutsche Landesbank Girozentrale said it expected higher profits in full 1991.

Möllemann Sees Signs of Recovery In East Germany

Reuters

BONN — Signs are increasing that the depressed economy of the East is starting to recover, Economics Minister Jürgen Möllemann of Germany said on Thursday.

This offers evidence that Bonn's economic aid programs are working, he added. Mr. Möllemann said a study released by the Ifo institute supported his forecast that a clear upswing in the East's production and orders would begin in the second half of 1991.

Ifo said East Germany's gross domestic product would increase 5 percent to 10 percent in 1992 after contracting around 25 percent this year.

Labor sources in Berlin said unemployment in the East rose less sharply in July than had been feared. They said unemployment figures to be released next Tuesday would show an increase of 150,000 to 200,000 in July, less than half of the expected increase.

Meanwhile, the Economics Ministry said industrial production in the former states of West Germany rose a provisional 2.5 percent in June from the previous month after a fall of 1 percent in May.

EC in August: Open for Business

By Charles Goldsmith
International Herald Tribune

BRUSSELS — The European Community just doesn't celebrate August the way it used to.

Although the August holidays are still revered, and formal meetings are scarce, the EC's newly enhanced role in world affairs means that the Community can no longer hang up a "Gone Fishing" sign for the entire month.

"A lot of officials in the Commission services will only be gone for 10 or 15 days," said an aide to the foreign affairs commissioner, Frans Andriessen. Mr. Andriessen is the point man in several stalemated negotiations, including world trade talks, a proposed trading zone with the European Free Trade Association and association agreements with Poland, Hungary and Czechoslovakia.

"We know there will be a very tight schedule at the beginning of September, so we have arranged for work to continue in August," the aide said.

Such talk at the EC would have been heresy in years past.

"Things have changed in the past couple of years," said a U.S. diplomat in Brussels. "It used to be that the EC did everything but seal the doors and windows, but now it's possible to resolve things in August if something unexpected comes up."

Last year, the Aug. 2 invasion of Kuwait kept the EC busy for much of the month, even if the Community's disjointed response to the Gulf crisis failed to win much applause. This year, many EC officials are busy trying to help settle the Yugoslavian crisis.

Merchants around EC headquarters have noticed the enhanced activity.

"There are a lot more people around now than there used to be," said Anne Noel, who runs a newsstand. "We used to close down for three weeks in August, but this year we'll close for only one week."

In many minds, an era ended last Aug. 21, when the EC Commission held a rare August meeting to adopt emergency measures exempting the territory of East Germany from certain EC laws.

Although no Commission meetings are scheduled this August, behind-the-scenes work is planned in the various international negotiations as well as the twin EC intergovernmental conferences, on political union and monetary union, which are due to conclude in December.

Profit Falls At Barclays But Tops Forecasts

By Leigh Bruce
International Herald Tribune

LONDON — Barclays PLC, the bellwether stock among the big four British banks, announced slightly better than expected first-half profit Thursday, despite a sharp rise in bad debt provisions in Britain and the United States.

But analysts said that the £378 million ($636.5 million) profit figure, though 37 percent below year-earlier levels, was inflated by the release onto the profit line of £123 million previously set aside against potential bad debts, principally in South Africa and Brazil.

"The release of the money makes sense because in the past Barclays has been a bit heavy handed, especially with regard to South Africa," said Chris Wheeler, a banking analyst at Lehman Brothers International. "But what's hidden as a result is the continuing deterioration of the U.K. bad debt situation."

Total provisions for bad debt in the first half of the year increased to £799 million from £458 million in the first half of last year. British bad debts, however, rose to £551 million from £334 million. Bad debt provisions also rose in the United States to £113 million from £87 million a year earlier.

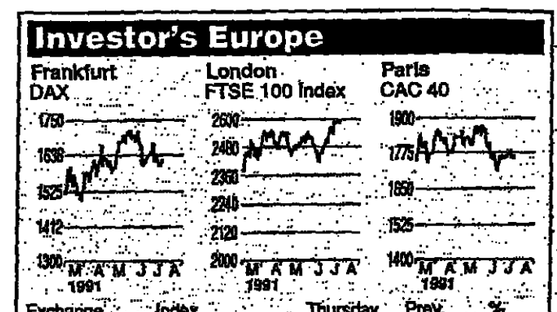
The bank's chairman, Sir John Quinton, said the prospects for the second half were "fairly grim" and characterized the British recession as the worst since World War II. As a result, he left the dividend unchanged at 9.15 pence per share.

"In the end, the whole sector is suffering from the economic conditions, not just Barclays," said John Tyce of the Nomura Research Institute. "Bad debts have gone up, while the volume of business has been negative over the last three months, so margins will not improve for some time."

Overall, the group's domestic banking and treasury operations made a pretax profit of £68 million, down from £275 million in the first half of last year. Mercantile, the group's financial services business, had a loss of £65 million despite cost-cutting.

Barclays was also hit by the difficult economic situation in the United States, where it had a loss of £48 million, compared to a £48 million profit in the first half of last year.

Investor's Europe



Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	CBS Trend	93.70	93.20	+0.54
Brussels	Stock Index	5,724.97	5,706.41	+0.33
Frankfurt	DAX	1,622.56	1,622.31	+0.02
Frankfurt	FAZ	675.29	676.53	-0.18
Helsinki	HEX	1,023.90	1,020.10	+0.37
London	Financial Times 30	2,005.60	2,004.70	+0.04
London	FTSE 100	2,591.70	2,588.80	+0.11
Madrid	General Index	271.20	269.35	+0.69
Milan	MIB	1,125.00	1,116.00	+0.81
Paris	CAC 40	1,766.81	1,754.73	+0.69
Stockholm	Affarsvarlden	1,109.50	1,105.30	+0.38
Vienna	Stock Index	527.26	524.51	+0.52
Zurich	SBS	Closed	632.80	-

Sources: Reuters, AFP — International Herald Tribune

One-Plane U.K. Airline Bypasses Hard Times

Reuters

CAMBRIDGE, England — While major airlines watched business fall sharply at the start of the Gulf crisis, there were plenty of passengers at Britain's smallest international carrier.

With one aircraft, two routes, 15 staff and lots of enthusiasm, Suckling Airways was going strong as other, bigger groups had their wings clipped by a combination of economic recession and public concern about flying following Iraq's invasion of Kuwait.

"In the first weeks of the Gulf crisis, we actually saw a growing number of passengers as they thought that no terrorist would target such a small airline as ours," says Merlyn Suckling, 42, who together with her pilot-husband Roy, 44, runs the airline.

"But three weeks later we did see a fall in numbers when clients such as Rank Xerox and Dow Chemical, big U.S. companies, started to cut back on flying overall," she said.

Suckling Airways, based in this English university town, is one of only two remaining small British airlines, along with Gill Air of Newcastle in northeastern England.

They form a third league after medium-sized companies such as British Midlands, Air U.K., Brymon Airways and Logan Air and the first league of Virgin Atlantic and British Airways.

Money from British Airways and a new mortgage on their home helped the Sucklings start up in 1986. They were running a small charter business with an executive jet from Ipswich airport in eastern England.

"At that time, the government wanted more competition on domestic air routes and demanded from British Airways that they gave grants to other companies so that they could start competing," Mrs. Suckling said.

Suckling's Dornier 228 18-seat turbo-prop plane makes eight flights a day linking Cambridge with Manchester in the north of England and with Amsterdam, catering to business travelers.

With a capacity of 144 passengers a day, Suckling is flying an average of 80. That is still above what it reckons to be the break-even point of 45.

Now the family wants to acquire two more aircraft: one to fly from London City Airport to Manchester and the other to increase the frequency on the Cambridge to Amsterdam and Manchester routes.

CARS: *Japan Is Coming*

(Continued from first finance page)

makes Peugeot and Citroen, got 45 percent.

These markets, each accounting for 2.3 million car registrations last year, up to now have maintained some of the strictest quotas on Japanese models.

In addition to mergers, experts say the industry will have to cooperate more at the costly engineering stage, while continuing to compete for the consumer by offering attractive exterior designs.

"This is a key element of survival," said Adrian Waters, managing associate with Karl Ludvigsen & Associates Ltd., an automotive industry consultant in London.

As a model for such cooperation, he pointed to a joint venture between Fiat and Saab in the late 1980s to build a common platform — one of the most expensive parts of a car to engineer — for use in Fiat, Alfa Romeo, Lancia and Saab models.

There is mounting political support for such cooperation. Early this week, Elisabeth Guigou, France's minister of European affairs, said that the automakers "should be capable of putting their usual competition between parentheses to reach precise objectives on particular products."

The final element in improving cost-efficiency is reducing the amount of labor that goes into producing a car.

BREUEL: *Selling Off a Country*

(Continued from Page 1)

East in these months of disillusionment. She insists that the situation is improving, and it is.

The Treuhand is selling about 20 companies a day now, and it is finally able to say with some confidence what exactly remains on the auction block.

A huge cataloguing operation has produced a remarkable list of available properties collectively illustrating the boundless reach of the socialist state. For sale are chicken slaughterhouses and radio monitoring stations, coal works and beach houses, parking lots and saunas, warehouses and nightclubs, iron foundries and luxury villas, orphanages and hunting lodges.

But despite improving sales figures, some economists still say the Treuhand is selling too slowly. The Organization for Economic Cooperation and Development said in a report last week that the Treuhand needed to pick up the pace.

In the village of Ballenstedt in Eastern Germany, Mayor Wolfgang Gurke complains that the Treuhand is the root of his town's troubles.

In a typical outburst against Mrs. Breuel's agency, the mayor says the Treuhand has prevented an investor from building a shopping center because the site is the subject of a property dispute and has dismissed more than half the village's workers from two Communist-era factories. To top it off, Mr. Gurke said, he has never been able to talk to the same Treuhand executive twice because of the agency's constant turnover.

"He's probably right," Mrs. Breuel said. "The property dispute should be resolved because we now have the right to go ahead with projects and compensate claims on the land later. On turnover, it was unavoidable in the start-up, but we have it under control now."

Mrs. Breuel is moving into the next phase of what the Treuhand dubs the sale of the century. The hard sell began last month, when Mrs. Breuel went to Tokyo to drum up Japanese interest in Eastern Germany.

In October, Mrs. Breuel will visit the United States to open a New York office and persuade skeptical American executives that Eastern Germany is their best, last chance to get a foot in the European Community before it merges into a single, possibly more restrictive market at the end of 1992.

As the trailblazer for the rest of the old Soviet bloc, Eastern Germany stands before a course already cleared in good measure by Western German financial resources, technology and management knowhow.

But Mrs. Breuel is quick to point out that the German transformation is impeded by a factor existing in no other Eastern country. "It's harder for us because the Eastern people expected a Western standard of living overnight," she said.

IDYLL: *And Then Came BCCI*

(Continued from first finance page)

through debt swaps, in which BCCI bought Argentine foreign debt at a huge discount and cashed it in with the central bank at a sizable profit. While the face amounts of those investments were $37.5 million and $1.2 million, respectively, it is not known how much they really cost the financier.

Lawyers close to some lawsuits involving Mr. Pharaon say his total Argentine investment may not exceed $10 million.

Mr. Pharaon has not helped his own case recently.

In April, before a judge who was questioning him about money laundering, Mr. Pharaon blurted out that while indeed BCCI had laundered money, so had other banks. "All, all of them are equally criminal," he said. "But only BCCI and the Arab banks are identified with laundering drug money. All are guilty and delinquent."

Perhaps his biggest mistake in Argentina might have been his citizenship application. In June 1988, he filed the document and made it clear he was still intimately involved in BCCI's affairs and that he was a big shareholder in the bank.

Since then, he has tried to distance himself by saying he sold his 16 percent stake in the bank in January 1986, more than two years before the time he listed in his citizenship papers.

Manhattan District Attorney Robert M. Morgenthau has that document and is likely to raise the discrepancy to challenge Mr. Pharaon's credibility, according to a Buenos Aires lawyer who provided Mr. Morgenthau's office with the document.

Mr. Pharaon's most controversial investment has been the Hyatt hotel in Buenos Aires, which he has said will contain suites that will cost $2,500 a night. He received permission to build it in late 1988 under the government of Raul Alfonsin, but not without a battle from some prominent citizens.

The site of the hotel had been a park with trees at least 100 years old just next to the city's famous wide central strip, La Avenida 9 de Julio. The night Mr. Pharaon received permission to build, the trees were chopped down.

The land also included a mansion built in the 19th century by Argentina's Alzaga Unzue family, a three-story building considered one of the great monuments to Argentina's days of glory. Although Mr. Pharaon has promised not to demolish the mansion, the hotel will dwarf it.

The opposition succeeded for a time, until in the final hour of the city government's 1988 legislative year, a bill was mysteriously swept through changing the status of the land to commercial. Suddenly, Mr. Pharaon had clearance to build.

His initial investment in the hotel immediately soared to $12 million from $3.5 million, and many wondered if someone had been paid off.

In the process, Mr. Pharaon cozied up to as many top officials as he could. Twice he met with Mr. Menem on the project. Mr. Pharaon also employed González Fraga, who subsequently became head of the central bank under Mr. Menem. Mr. González Fraga has denied he had been an assistant to Mr. Pharaon or that he was hired by the financier to work on the financing of the hotel.

The hotel is nearly completed and officials of Mr. Pharaon's Hotel Corporation of Argentina said there was no danger of halting construction.

COMPANY RESULTS

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Belgium

Petrofina

2nd Quar.	1991	1990
Revenue	823.57	822.60
Profit	4.34	53.80
Per Share	0.27	3.48

Results stated in U.S. dollars.

Britain

Smithkline Beecham

2nd Quar.	1991	1990
Revenue	1,166.	1,120.
Pretax Net	238.00	197.00
Per Share	0.11	0.093

Canada

Dofasco

2nd Quar.	1991	1990
Revenue	538.40	595.00
Profit	(a)31.30	21.80
Per Share	—	0.32
1st Half	1991	1990
Revenue	1,040.	1,178.
Profit	(a)26.8	24.20
Per Share	—	0.37

a: loss.

Germany

FAG Kugelfischer

1st Half	1991	1990
Revenue	1,996.	2,010.
Profit	7.10	35.70

United States

Allied-Signal

2nd Quar.	1991	1990
Revenue	3,050.	3,180.
Net Inc.	89.00	121.00
Per Share	0.45	0.58
1st Half	1991	1990
Revenue	5,750.	6,240.
Net Inc.	152.00	238.00
Per Share	1.12	1.76

1991 quarter results include charge of $32 million.

American Int'l Group

2nd Quar.	1991	1990
Revenue	4,100.	3,800.
Net Inc.	401.00	367.00
Per Share	1.88	1.70
1st Half	1991	1990
Revenue	8,200.	7,300.
Net Inc.	776.40	702.00
Per Share	3.64	3.51

FEEL THE DIFFERENCE

MANZ PRIVACY HOTELS

CONTINENTAL LAUSANNE
EULER BASEL
ST. GOTTHARD ZURICH
DE LA PAIX GENÈVE

GENERALI

1990 HIGHLIGHTS

(000 US$) *	1990	1989
Premiums written	5,532,873	4,871,611
Premiums ceded	– 686,489	– 656,631
Net premiums	4,846,384	4,214,980
Net investment income	1,251,783	963,928
Technical interest allocated to Life funds	– 643,404	– 518,471
Insurance underwriting result	– 273,307	– 157,345
Sundry income and expenditure	– 9,117	4,991
Operating profit	**325,955**	**293,103**
Profit on sale of properties and securities	165,098	201,656
Unrealized capital losses on securities	– 155,482	– 70,013
Taxes	– 24,835	– 79,504
Total other items	**– 15,219**	**52,139**
Profit for the year	**310,736**	**345,242**

* *All of the above listed figures have been converted at the rate of exchange of Lire 1,130.15 to the US$.*

- Gross premiums written by the Company totalled US$ 5,532.9m (+14.5% over the previous year, at equal rates of exchange); the Life department contributed US$ 2,183.8m and the Non-Life business US$ 3,349.1m.
- Total investments reached US$ 14,474.1m showing a growth of 14.5%.
- Net investment income totalled US$ 1,251.8m showing a growth of 16.4%. The average yield was 8.2%. Realized capital gains generated from the sale of securities amounted to US$ 143.4m and from the sale of properties to US$ 21.7m.
- The profit for the year amounted to US$ 310.7m (–10.0% compared to the previous year); from this profit an amount of US$ 218.5m has been allocated to the reserves, of which US$ 201.2m increased the "Extraordinary Reserve".
- The dividend for the year consists of a cash amount of lire 160 per share plus an allotment of non-convertible Alleanza Assicurazioni saving shares, dividend-bearing as from Jan. 1st, 1991, in the proportion of 1 share for every 250 Generali shares held.
- The shareholders' surplus including the year's profit reached US$ 3,136.5m showing an increase of US$ 166.4m over the previous year.
- The Meeting confirmed General Manager Gianfranco Gutty as Member of the Board of Directors, to which he had been co-opted at the Board's Meeting of May 14.
- The Extraordinary General Meeting approved a capital increase from Lire 1,166 billion to Lire 1,457.5 billion by issuing of 145,750,000 shares at a price of Lire 12,000 each, Lire 10,000 being the share premium, which are destined to cover 145,750,000 warrants subscribed by a syndicate to be offered to the shareholders pursuant to Art. 2441 paragraph 7 of the Civil Code.
- Enrico Randone was elected Honorary Chairman by acclamation; Eugenio Coppola di Canzano was appointed Chairman; Antoine Bernheim, Francesco Cingano and Carlo della Torre e Tasso were confirmed Vice-Chairmen, and Eugenio Coppola di Canzano and Fabio Fegiz were confirmed Managing Directors.

Head Office in Trieste (Italy)

1990 CONSOLIDATED STATEMENT

ASSETS (000 US$) *	1990	1989
Building and farm property	5,033,824	4,584,308
Fixed-interest securities	18,043,815	15,466,654
Shares (including Associates)	5,284,184	4,877,047
Mortgage and policy loans	2,181,861	1,551,491
Deposits with Ceding Companies	518,845	571,779
Bank deposits	1,933,679	1,262,394
Accounts receivable and other assets	4,185,117	3,602,005
Total	**37,181,425**	**31,915,678**
LIABILITIES (000 US$) *		
Provisions for insurance liabilities	28,864,284	24,514,301
Reinsurance deposits	309,956	272,159
Other liabilities	2,503,493	2,319,195
Minority shareholders' interest	885,935	460,733
Shareholders' surplus	4,203,849	3,841,701
Profit for the year	413,908	507,589
Total	**37,181,425**	**31,915,678**

- This statement consolidates 66 insurance companies operating in some forty markets, (including 7 Europ Assistance companies), 20 financial, 26 property and 3 agricultural companies where Generali directly or indirectly holds more than 50% of the shares.
- Gross premiums amount to US$ 12,096.5m (+14.2%), of which US$ 4,398.8m is for Life and US$ 7,697.7m for Non-Life. The geographical breakdown is as follows: Italy 38.4%; other EEC Countries 39.1%; rest of Europe 16.6%; rest of the world 5.9%.
- Investments total US$ 32,996.3m (+16.5%).
- Investment income amounts to US$ 2,647.9m (+20.2%) of which 64.1% is produced by fixed-interest securities, 14.1% by property, 8.0% by shares, 6.1% by bank deposits and 7.7% by other investments.
- The provisions for insurance liabilities amount to US$ 28,864.3m (+17.7%).
- The shareholders' surplus amounts to US$ 5,020.3m of which 83.7% belongs to the Parent Company, the minority interest being 16.3%.
- The profit for the year amounted to US$ 413.9m (–18.5% compared to the previous year) and originated from:

(000 US$) *	1990	1989
Parent Company's profit	310,736	345,242
Profit of the other Companies	1,093,414	305,782
Consolidation adjustments	– 920,742	– 77,238
Consolidated profit	483,408	573,786
Minority interest	– 69,500	– 66,197
Profit for the year	413,908	507,589

Parent Company: Assicurazioni Generali

GENERALI
Assicurazioni Generali

THE INSURER WITHOUT FRONTIERS.

NASDAQ

Thursday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge

A

B-C

D-E-F

G-H-I

J-K-L

M-N

O-P-Q

R-S

T-U-V

W-X-Y-Z

AMEX

Thursday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge

A

B

C

D-E

F-G

H

I-J-K-L

M-N

O-P-Q-R

S

T

U-V

W-X-Y-Z

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.

For Japanese Brokers, a Dismal Profit Picture

Reuters

TOKYO — Earnings at Japanese brokerages are likely to fall sharply for the second year because of shattered investor confidence following last month's revelations that they improperly paid off elite clients' losses, industry analysts say.

Volume on the market had been low since early this year, but fell even more after the scandal broke in late June.

"The outlook is not bright at all," said an analyst at the research arm of one of the Big Four brokers. He sees current profit at the Big Four down 20 to 30 percent in the year to March 1992.

Nomura Securities Co., Daiwa Securities Co., Nikko Securities Co. and Yamaichi Securities Co. on Monday admitted they paid 128.3 billion yen ($930 million) to cover the market losses of favored clients.

The scandal over the loss-covering and revelations that Nomura and Nikko had links to gangsters has shaken the stock market and led to the resignation of Nikko's president and the chairman and president of Nomura.

Results for the April-June quarter provided a preview of what is now in store for the Big Four. Current profits for the four plunged almost 50 percent from a year ago, and many smaller houses were in the red.

■ Parliamentary Inquiry

Japan's ruling and opposition parties agreed on Thursday to order a parliamentary investigation into the securities scandal, Reuters reported from Tokyo.

In another development, a securities company said Thursday that it compensated for stock losses a company headed by a powerful lawmaker's son, The Associated Press reported. Officials at Okasan Securities said their firm had paid $153,038 to a real estate rentals company, Oruto K.K., to cover investment losses.

NYSE

Thursday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Chge
[illegible]										

U-V

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Chge
[illegible]										

W

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Chge
22½	18¾	WICOR	1.48	6.7	21	52	22⅛	22	22	– ⅛

X-Y-Z

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Chge
[illegible]										

Asian Refining on Rise Following Gulf Crisis

Reuters

SINGAPORE — A year after Iraq's invasion of Kuwait drastically cut the flow of Middle East oil products, oil traders in Asia are no longer worried about tight regional refining capacity.

Instead they worry about additional capacity emerging in the Far East, especially from Japan.

"There's been a shift in capacity, from the supply end of the market to the product demand end," an oil company trader said.

"Times for Singapore refiners are good but not as good as they might have been if Japan had not opened up its capacity."

The Gulf crisis alerted Japan's government to the country's heightened vulnerability in depending mainly on the Middle East for refined oil products.

Tokyo responded to domestic refiners' demands in June by overturning an 18-year-old regulation and allowing refineries to increase their primary refining capacity, but only if they were running at over 80 percent of average annual capacity.

In response, Japanese refiners have started opening up third-party processing space. Some Asian traders, including Japanese trading houses, have already clinched spot processing deals in Japan.

"Capacity in Asia is not tight anymore because Japan is opening up," another oil company trader said.

"Japan's crude imports are up by 10 percent compared with last year, and it is importing 6 to 7 percent less products," a European trader said.

South Korea, too, is starting up commissioning this year. Its expanded capacity allows it some surplus to offer as third-party processing space as well, leading to a plentiful availability of products, notably high-sulfur fuel oil.

"Kuwait's refining loss is about 800,000 barrels per day of which 400-500,000 of products were exported to Asia," an Asian trader said. "This has now been more than made up by Japan's higher throughput and incremental Korean capacity."

Seoul Planning To Open Trade Despite Deficit

The Associated Press

SEOUL — South Korea's trade deficit of $8 billion for seven months will not force the government to backtrack on market liberalization, a senior official said Thursday.

"Our ministry is trying to stand in the forefront of liberalization," said Yu Deuk Hwan of the Ministry of Trade and Industry.

The government originally predicted the deficit would be $6 billion for all of 1991, but announced Thursday that it had reached $8 billion through July — three times as much as the same period last year.

The previous high for an annual trade deficit was $5.2 billion in 1979. Seoul's first-half current account deficit, released Wednesday, swelled to a record $5.8 billion.

Consumer groups, farmers and some politicians are demanding that the government limit imports, which they say threaten the country's export economy.

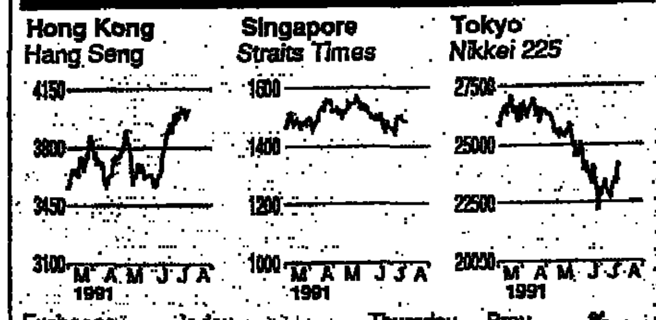
U.S. Concern to Buy Stake in Japan's Koito

The Associated Press

TOKYO — A U.S. company, Savin-Carlson Investment, has decided to buy shares once owned by T. Boone Pickens in the Japanese auto parts maker Koito Manufacturing Co., an attorney for Savin-Carlson said Thursday.

The Los Angeles-based securities and real estate investment firm will sign an agreement Friday with the Japanese firm Azabu Tatemono to buy 53 million shares, or about a 33 percent stake, in Koito for $839.4 million.

Investor's Asia



Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hang Seng	4,030.01	4,009.58	
Singapore	Straits Times	1,482.62	1,482.87	
Sydney	All Ordinaries	1,577.70	1,572.40	
Tokyo	Nikkei 225	24,072.73	24,120.75	
Kuala Lumpur	Composite	600.75	602.32	
Bangkok	SET	N.A.	728.70	
Seoul	Composite Stock	714.95	717.03	
Taipei	Weighted Price	5,141.41	5,178.06	
Manila	Composite	1,007.74	1,017.15	
Jakarta	Stock Index	337.41	339.96	
New Zealand	Barclays	1,464.65	1,466.33	
Bombay	National Index	N.A.	Closed	

Sources: Reuters, AFP — International Herald Tribune

State-Run Chinese Firms Post a Decline in Profits

United Press International

BEIJING — Profits in China's state-run sector dropped 17.5 percent in the first half of the year from a year earlier, and a third of the nation's factories were operating at a loss, official media reported Thursday.

The figures, which were announced by the State Statistics Bureau, underscore continuing problems in the centrally planned state sector of the economy.

Only a handful of China's 30 provinces and cities managed to cut losses in state-run enterprises, while about a third of China's industrial firms operated at a loss during the period, the report said.

U.S., Australia Set Talks

Compiled by Our Staff From Dispatches

CANBERRA — Talks aimed at protecting Australian farmers from subsidized U.S. wheat sales will begin in Washington this month, Trade Minister Neal Blewett said Thursday.

Mr. Blewett's announcement follows anger at cheap U.S. wheat sales to China — a traditional Australian customer.

Mr. Blewett said in a statement that consultations between the two countries were proposed in March and it had taken four months of negotiations to sort out details.

(AFP, Reuters)

ADVERTISEMENT

INTERNATIONAL FUNDS

August 1, 1991

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price. The marginal symbols indicate frequency of quotations supplied: d - daily; w - weekly; b - bi-monthly; r - regularly; t - twice weekly; m - monthly.

Fund	Currency	Price
[illegible]		

Other Funds

Fund	Currency	Price
[illegible]		

AS - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; C$ - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin; Lit - Italian Lira; LF - Luxembourg Francs; p - pence; Ptas - Pesetas; SGS - Singapore Dollars; SF - Swiss Francs; Y - Yen; a - asked; + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; @ Offer Price incl. 3% prelim. charge; ++ - Paris exchange; ++ - Amsterdam exchange; e - misquoted earlier; x - not registered with regulatory authority

TO OUR READERS IN SWITZERLAND
It's never been easier to subscribe and save.
Just contact us at our Zurich office.
Phone: (01) 481 7200
Fax: (01) 481 8288

For information on how to have your fund listed, fax Simon OSBORN on (33-1) 46 37 52 12.

SPORTS

Berlin and the Bears' Ditka: Happy in Mutual Ignorance

The Associated Press

BERLIN — Mike Ditka has found that he likes being a nobody.

Far from home, the coach of the Chicago Bears of the National Football League is in a city where few people recognize him or understand the sport that has made him famous.

"I don't think too many people know who we are," Ditka said. "We can go to eat and not worry about autographs. This brings back a sense of humility to most of the guys on the team."

And even though the Bears are making their third preseason trip to Europe in six years, Ditka admits that he is pretty parochial, too.

"I don't take time out of my working day to think about what's going on in Berlin or Hamburg or Munich or Rome," he said. "Those cities almost don't exist to us. We worry about Chicago, New York, Los Angeles, Houston, Atlanta and so on. We don't really think worldwide."

The Bears, who played in London in 1986 and in Goteborg, Sweden, in 1988, are in Berlin to play the San Francisco 49ers in an exhibition game on Saturday.

[The Miami Dolphins and Los Angeles Raiders, who arrived in Japan on Wednesday, practiced against each other Thursday and were to do so again Friday in preparation for Saturday night's game in the Tokyo Dome.]

Though he is one of the few football players whose name is well recognized in Europe, the 49ers' quarterback, Joe Montana, said that he, too, is enjoying his relative anonymity in Berlin.

"It's mostly Americans who recognize me," he said. "It's been kind of a nice break."

While Montana is adapting to his increased privacy, teammate Jerry Rice, the All-Pro wide receiver, is adjusting to fatherhood.

His son, Jerrian Rice, was born Saturday, while the 49ers were playing the Raiders in an exhibition game in Los Angeles. His father rushed to San Francisco after the game, then spent the weekend with wife Jackie and their son before flying to Berlin on Tuesday, a day after the rest of the team had arrived.

"The baby's doing fine, the wife is fine," Rice said after practice. "After I took them home, I jumped right on the plane and took this long ride over."

AP

Ditka: "A sense of humility."

Jerrian Rice, his father noted, has "long fingers and long feet, so there's a possibility he might play football."

The Bears and 49ers are practicing together at the Maifeld grounds, where Adolf Hitler and Benito Mussolini addressed 650,000 Germans in 1937.

The game will be played Saturday in the neighboring Olympic Stadium, in which sprinter Jesse Owens mocked Hitler's theory of Aryan supremacy by winning four gold medals in the 1936 Olympics.

The Bears have been injury-free since arriving in Berlin, but the 49ers have had three casualties.

Wide receivers Mike Sherrard and Bobby Slaughter, a rookie from Louisiana Tech, both suffered hamstring pulls during practice on Monday and are questionable for Saturday's game. Defensive end Dennis Brown sprained his left ankle in practice and also is questionable for the game against the Bears.

■ Long Out of Hospital

Terry Long, the Pittsburgh Steelers' guard who said he had attempted suicide after flunking the NFL's steroids test, was released Wednesday from a hospital in Pittsburgh, The Associated Press reported.

Long told police July 24 in the suburb of Franklin Park that he tried to commit suicide because he felt his career had been ended by the test.

His statement to police said he tried to kill himself by swallowing "two or three sleeping pills," contradicting earlier reports he had taken rat poison. Long checked into the psychiatric ward at Allegheny General Hospital the same day for a mental health evaluation.

For Air Jordan, New Flight Plans

Michael Jordan, the unstoppable star of the Chicago Bulls of the National Basketball Association, was given pause by a 14-over-par 85 in the opening round of the Western Amateur Championship in Benton Harbor, Michigan, and said, "This is all new to me. In pro basketball, if my jump shot isn't falling, I go to the lay-up. You can't do that in golf." Jordan played his first competitive round Wednesday with reigning U.S. Amateur and two-time NCAA champion Phil Mickelson, who said Jordan " was definitely a little nervous out there. It was kind of nice to know that he's human." Jordan, who has a 6-handicap and plans to play competitive golf after retiring from basketball, said that "golf is different. Mentally, you have to collect yourself in a hurry or you'll get blown out of the water."

Ron Leifeld/The Associated Press

A Star and a Lifesaver

By Ira Berkow
New York Times Service

NEW YORK — Before you can enter Harlem One, once a grade school and now a shelter for homeless men on 155th Street and Eighth Avenue, you must pass through a metal detector.

No guns or knives allowed inside. And before you enter, you certainly have to notice the signs posted on the yellow walls: "Don't Even Think of Doing Drugs Here!" "Drug Dealers Will Be Arrested."

And at the sign-in desk there is a black-and-white photocopied picture of Patrick Ewing, and below it the inscription: "Patrick Ewing says, Score High Points Out of Life . . . Keep your Meal Ticket Updated."

Ewing had nothing to do with this, and it was just a gimmick by one of the workers to use a big star to remind the men about an essential aspect in their day. But on the sign-in desk was another announcement. This one detailed the funeral arrangements of the assistant supervisor of this shelter. His name was Ray Felix, and he died of a heart attack at age 60 on Sunday.

Vantage Point

It is curious that his life and death, and the life of Patrick Ewing should be juxtaposed here. What they had in common was that each was 7 feet (2.13 meters) tall, each was a rookie of the year in the National Basketball Association, and each was a center for the New York Knicks.

And both are in the news. Ewing dominates the headlines because of a contract squabble: He was not satisfied with a proposed offer that would have come to $33 million for his services with the Knicks.

Felix, who earned considerably less in his professional playing days, from 1953 to 1962, and as a supervisor in this shelter for 150 men, has received a few paragraphs on the obituary pages of the local newspapers.

One of the obits noted: "His last appearance in the Garden was for the old-timers' game last season. He was very happy to be there for the fleeting recognition it offered to a quiet, forgotten man."

Felix was quiet, but he wasn't forgotten, at least not in Harlem One. "He was very important to a lot of people here," said David Carter, the director of the shelter. "He went well beyond just his job of counseling and making sure the place was clean and safe."

"One time," said Charles Thomas, who lives in the shelter, and was one of several men who gathered in the gymnasium dining room to recall Felix, "he saw that I was having some problem getting a winter coat. It was cold out and I didn't have much to wear. He took me to a store and bought me a coat out of his own pocket. Must've cost $200. Mr. Felix was good people."

"What people don't understand about a shelter," said Carter, is that it's not filled with bums, like many think. Sure, there are guys with social problems, like drinking and drugs. But there are a lot of men here who just can't afford housing in New York City. And they have skills."

He added: "Ray would come to me and say, 'There's a guy who has potential to go to college, I think we can help him.' Another time he found a man cutting hair for the men here, and got him a spot at a friend's barber shop on Seventh Avenue."

"He tried to make you feel like a person," said Tommy Jones, who also lives in the shelter.

"I came from Mississippi," he continued, "didn't know anybody here, and he'd tell me, 'It takes time. Patience is a virtue. You have to believe in yourself.' I was a dispatcher. He'd say, 'Don't wait for people to help you. You have to help yourself. Go down to Wall Street. Dress clean, and ask people for a job.' "

Jones says he is starting Monday as a Wall Street messenger dispatcher.

Carter said that not enough is being done to help get these people jobs and into training programs. "Once someone hears someone lives in a shelter, he's stigmatized," he said. "These men need love and understanding, and support. Ray gave it to them."

In our society, for whatever reasons, we've come to be more concerned about whether Patrick Ewing makes $33 million in order to entertain us than whether Ray Felix can save some lives.

"We're gonna miss him," said David Ward. "We're gonna miss his big, deep laugh. That ha-ha-ha."

Ray Felix's funeral was held Thursday morning in the borough of Queens. "I'm goin', sure," said Ward. "Even if I gotta pay my own way."

Eddie Bird, Aiming for NBA, Will Likely Land in Europe

The Associated Press

SALT LAKE CITY, Utah — With that Indiana twang and those familiar court moves, he reminds a lot of folks of Larry Bird. But Eddie Bird isn't fooled by the comparisons.

Ten years younger and three inches shorter than his famous brother, Eddie Bird, 24, is now gunning for the National Basketball Association in his own right. He has dodged Larry's shadow most of his life, and knows he can't outrun it.

"It used to bother me, but not anymore," the 6-foot, 6-inch (1.98-meter) forward replied in a friendly drawl to yet another of the same questions. "It's probably better to be his brother than not. It's opened a lot of doors for me."

The shadow has dogged him from Springs Valley High School in French Lick, Indiana, to Indiana State, and again this week at rookie-free agent camp, where Eddie Bird has been trying out with the Sacramento Kings.

Larry Bird will earn more than $7 million with the Boston Celtics next season, but to hear Eddie talk, the $120 he won in a shooting drill at camp may be the only money he ever earns in the NBA. More likely prospects, he believes, are a European team or the Continental Basketball Association.

"I don't think I'm good enough," he said. "I'm not ready for the NBA. I need to be stronger and quicker."

Friends have heard that tune before.

"It seems that he really underestimates his talent. Everybody tells him that — his coaches, everybody," said Jill Leone, executive vice president of Bob Woolf & Associates, agents for Larry and Eddie.

"I know that Larry does not heap praise on him when he's around because he wants Eddie to learn for himself. But when he's not around he'll say that Eddie is very good, and he's very supportive of him."

Larry has stepped in when needed to offer guidance, help out financially or kick Eddie's tail when the work ethic starts lapsing. But he's also careful to let Eddie be Eddie.

"He don't give advice really," Eddie said. "He just lets me do what I think is best. He wants me to make it on my own first."

But it was Larry who suggested that Eddie seek a slot on the Sacramento roster during the Rocky Mountain Revue here. The 11-day camp has drawn rookies and draft picks from Utah, Sacramento, Golden State, Denver, Phoenix, Portland and Seattle.

Leading up to a camp tournament playoff Wednesday, Bird had played 62 minutes and scored 22 points in five of Sacramento's six games. He had made 10 of 24 shots from the field, with seven rebounds, two assists, one steal and three blocked shots.

Many eyes have scrutinized No. 42 throughout the week, and there has been a bit of joshing from other players about "Bird II."

"It's just weird because his brother's so famous and he talks just like him," said Beau Reid, a Nebraska product also hoping to join Sacramento.

Opinions are mixed on Eddie's NBA future. Past coaches say he has strong passing and driving ability, and he has a complete knowledge of the game.

"I always thought he did have what it takes," said Gary Holland, his high school coach. "I think if he worked at it, he could do it."

But Eddie admitted his main reason for coming to Utah was to be seen by overseas scouts and coaches.

"I probably think Eddie would need a year or two in Europe against that kind of competition, and then I think he could be ready for the NBA," said Phil Hopkins, an assistant coach at Indiana State, who has promised Eddie an assistant's job if he ever obtains a head coaching position.

"I don't know Larry personally, but Eddie's as fine a young man as you could have. If Larry's as good as Eddie off the floor, then Larry's a good guy," Hopkins said.

Agent Bob Woolf believes Eddie could earn a six-figure salary in Europe.

"We'll see. Eddie Bird has the talent. If he will give it the same dedication as his brother, he should go all the way."

BOOKS

THE SUM OF ALL FEARS

By Tom Clancy. 798 pages. $24.95. The Putnam Berkley Group Inc., 200 Madison Avenue, New York, N.Y. 10016.

Reviewed by Patrick O'Brian

WHAT immense industry must have gone into the writing of this strangely uneven book: "The Sum of All Fears" which is situated in the near future, is about four times the length of the usual novel and deals with at least four times the usual number of themes.

Any summary must do grave injustice, but very roughly the main plot is concerned with the elaboration of a plan for peace in the Middle East initiated though not wholly conceived by Jack Ryan, the deputy director of the Central Intelligence Agency, in which the Pope invites the Orthodox, Jewish and Muslim leaders to the Vatican, together with the American president and many other great men for the signing of a treaty.

This reduces anti-Israeli Arab terrorism to desperation. Helped by members of the Red Army Faction, former East German intelligence officers and a discontented Sioux, they acquire an atomic bomb. With this they mean to simulate a Russian attack on the United States that will lead to retaliation and a return of chaos in which they can eliminate Israel.

Then come Ryan's attempts to deal not only with the situation, a situation almost hopelessly confused by clouds of red hares and false herrings, some of them uncommonly ingenious — but also with an inadequate, unfriendly president, much under the influence of his national security adviser and mistress, an unscrupulous woman who loathes the virtuous Ryan.

Apart from this we have the terrorist side, dealt with at great length, man by man; long, detailed pieces on American nuclear submarines, how they are to be maneuvered, how best commanded; a play-by-play account of Ryan's major defeat, which is caused by overwork and too much drink rather than by infidelity (the man is a Catholic, after all) but which has a somewhat adverse effect on his marriage. Clancy takes it for granted, by the way, that the reader will already have met Ryan, the hero of several previous Clancy books.

All this and more calls for a massive book, very dense in texture, and it does not call in vain. Indeed, so dense is it that when I put it down at about midnight, I could not at once recall just at which of the many possible stages the tale actually began to unfold.

Looking back at my notes, I very soon recalled the sequence. But I also, and with some surprise, saw how dissatisfied I had been to begin with. With some surprise, because for the last 150,000 words or so I had been quite entranced by Clancy's skill in recounting the extraordinarily complex series of events that bring great nations to the point of total war.

The opening passage presents an unusually clear and vivid account of an incident in the October war of 1973, when the Syrians attacked the Golan Heights and the hard-pressed Israelis very nearly resorted to an air strike with the nuclear weapons they were not supposed to possess.

But upon further reading, it seemed that this was rather heavy going, that prolixity had taken the bit between his teeth and was tearing away towards horizons lost in a fog of words. Even now [illegible] I have read the whole, I still think the book is too long by a third.

There is no doubt that Clancy is a brilliant describer of events: He knows a great deal about physics, warfare, intelligence and the navy, and on these subjects I read his lucid exposition with delight. But when he goes beyond the province in which he excels and deals with his people from within, it seems to me that he is out of his element, that he labors too hard, that he becomes verbose, and that a determined editor could have struck out 200 pages with advantage. Yet although this has not been done, I am still convinced that it is eminently worthwhile putting up with certain longueurs to reach, and to earn, the splendid long-drawn-out climax.

Patrick O'Brian, whose "The Nutmeg of Consolation" is the latest volume in his series of historical novels about the Royal Navy in the Napoleonic wars, wrote this for The Washington Post.

BRIDGE

By Alan Truscott

IN the diagramed deal Alex Ornstein of Roslyn, New York sat West and helped his team advance to the finals of the Reisinger Knockout Teams in Manhattan, New York .

His mother, he says, taught him to lead the unbid major suit against three no-trump. It is a good guideline, and here it served to attack South's communications. East won the first trick with the spade ten and returned the king. South won with the ace and had lost a crucial entry before he could unblock the diamond king. He led to the diamond king and led a third round of spades, giving Ornstein the lead in this position:

	NORTH	
	♠—	
	♡—	
	◇A87643	
	♣A102	
WEST		EAST
♠—		♠—
♡106542		♡AJ83
◇J		◇Q8
♣J98		♣Q74
	SOUTH	
	♠8	
	♡KQ97	
	◇—	
	♣K853	

A diamond lead would have allowed South to establish and use dummy's suit, and a heart lead would also have helped the declarer. A low club lead would have been fatal, but Ornstein produced the jack, a card that gave nothing away.

The game was defeated, and was made easily in the replay when West chose lead a club.

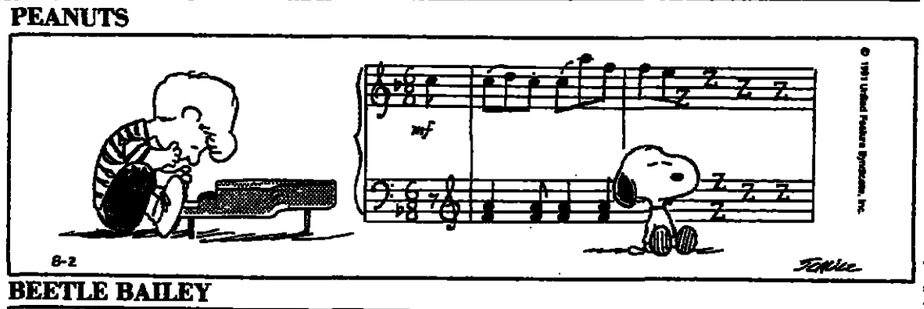
	NORTH (D)	
	♠AJ2	
	♡—	
	◇A878432	
	♣A102	
WEST		EAST
♠Q43		♠K106
♡108542		♡AJ83
◇J10		◇Q95
♣J96		♣Q74
	SOUTH	
	♠9875	
	♡KQ97	
	◇K	
	♣K853	

East and West were vulnerable.
The bidding:

North	East	South	West
1◇	Pass	1♡	Pass
2◇	Pass	2N.T.	Pass
3N.T.	Pass	Pass	Pass

West led the spade three.

PEANUTS



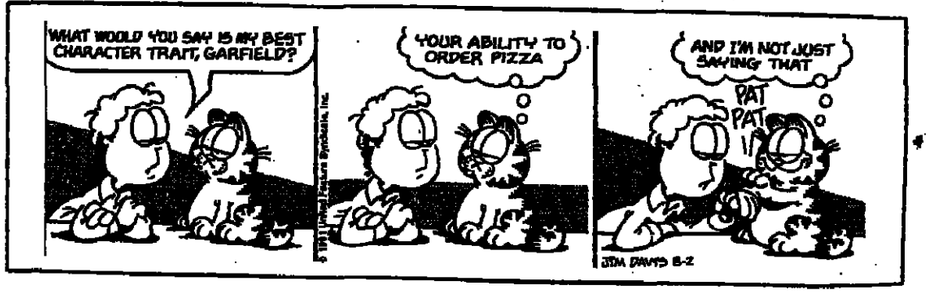
BEETLE BAILEY

ANDY CAPP

WIZARD of ID

REX MORGAN

GARFIELD



DOONESBURY

DENNIS THE MENACE

JUMBLE® THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

BALEF

ROMIN

TOATER

PHARCE

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: A BIG "○○○○○○○○"

(Answers tomorrow)

Yesterday's Jumbles: STUNG ASIDE COUPLE TOWARD
Answer: A short "outing" remark may be expressed in these—"BLUNT" WORDS

BLONDIE

SPORTS

Admiral's Cup Races: Against World's Best, U.S. Has High Hopes

By Barbara Lloyd
New York Times Service

A U.S. team has not won the Admiral's Cup offshore regatta in 22 years. But in the two-week, eight-nation competition that began Thursday near Cowes, England, the American squad has reason to be optimistic.

It will compete in three boats, as will the teams from Australia, Denmark, Britain, France, Germany, Italy, and Japan.

The 45-member U.S. team has been training for months in its home waters and in Europe. Recent victories, including one in the One-Ton Cup, a world championship for the 40-foot (12.2-meter) yacht Vibes, have *shored up confidence.*

"There's one thing we all have in common," Robert Towse Jr. of Stamford, Connecticut, the American team captain, said by telephone from Cowes. "Nobody here has been on a winning Admiral's Cup team."

Towse has chartered the yacht Bravura, a 44-foot Two-Tonner, for the competition. Bravura's Two-Ton designation is based on a handicap rule, not the weight of the boat; the same is true for Vibes, which is owned by David Clarke of Locust, New Jersey.

The third U.S. contender, Champosa VII, is a 50-footer owned by Mark Morita, a Japanese entrepreneur with business interests in the United States. The sailboat is registered there, and its helmsman and most of the crew are American.

The British yachting series includes six races: two 28-mile (45 kilometer) Olympic courses, inshore races of 25 miles and 40 miles, a 200-mile race between England and France and the Fastnet Race over a 605-mile long-distance course through the English Channel, from Cowes to Plymouth.

The Fastnet segment, which starts Aug. 10, can be particularly treacherous. In 1979, 15 sailors died in a storm that battered the Fastnet fleet with 70-knot winds and 30-foot seas.

"Anytime it gets windy, things begin to break," said Kimo Worthington of Oakland, California, helmsman of Champosa VII.

Unlike most of the other international teams, which are heavily sponsored by corporations, the U.S. squad is supported privately by its boat owners. The American campaign is likely to cost more than $3 million, including the price of the boats.

"The Admiral's Cup is unique," said Towse, alluding to the event's *international scope.* "*It's 'Don't* break down, don't make big mistakes, and don't get chucked.' It's racing against the best in the world."

■ Italian Boats Win 2 Races

Italian yachts won two of the three stages as the Admirals Cup series began in perfect sailing conditions Thursday, The Associated Press reported.

The 50-footer Mandrake, skippered by American John Kolius, was first over the line on the 24-mile Solent course in 3 hours, 51 minutes, 6 seconds. Brava, with Francesco de Angelis at the helm, won the One-Ton class.

The results gave Italy an overall points total of 21.5, with defending champion Britain second with 18. Germany was third with 15.25, the United States fourth with 14.

Britain came second in the 50-foot class with Mike McIntyre's *Juno V. Britain's Smart Childerley* beat off a challenge from Denmark's Unibank and the highly-rated Italian Larouge to take second in his Wings of Oracle in the Two-Ton class, which was won by Germany's Rubin XII.

Clark's Third a Charm on Grand Night for Hitting Homers

Braves' Sanders: A 3-Run Farewell

United Press International

Deion Sanders, the self-proclaimed "prime-time" player, gave himself a much-needed ratings boost in his season finale with the Atlanta Braves.

Sanders, who was to report Thursday to the Atlanta Falcons of the National Football League, belted a three-run homer Wednesday

NATIONAL LEAGUE

night that helped the Braves beat the visiting Pittsburgh Pirates, 8-6, for a four-game series sweep.

Sanders, who batted a lowly .193 this season, made the most of his final appearance. He and Jeff Blauser both hit three-run homers during a six-run fifth that continued the Braves' dominance over the National League East-leading Pirates.

The home run "just gives me a good incentive," said the outfielder-cornerback, who hit four homers *this season.* "I *think* I became a better baseball player this year. Disregard the numbers. But I wish I could execute more in this sport. I can honestly say it was a tremendous night because I can leave on a positive note."

Sanders may not feel like leaving his pennant-contending teammates. Atlanta has won four straight and trails Los Angeles, the National League West leader, by 4½ games.

The Braves, who came from behind to beat the Pirates for the second straight night, have won nine of 12 games against Pittsburgh this season.

Phillies 9, Padres 3: In Philadelphia, Wes Chamberlain went four-for-four, hitting two three-run homers. His six runs batted in tied the Veterans Stadium record set by Mike Schmidt in 1980.

Reds 5, Cubs 1: In Cincinnati, Jose Rijo drove in two runs to win

Susan Ragan/The Associated Press

Kent Hrbek's grand slam helped the Twins win in Yankee Stadium.

his third straight. Rijo allowed one run and six hits in seven innings.

Astros 9, Cardinals 5: Jeff Bagwell and Luis Gonzalez each homered and Ken Caminiti doubled in two runs in Houston, as the Astros won their fourth straight.

Dodgers 6, Mets 3: Darryl Strawberry collected three hits, including a home run, against his former teammates in Los Angeles. Sid Fernandez started for New York but left after three innings with a shoulder strain.

Shot in 14th Halts Athletics in Boston

The Associated Press

Freddie Patek has hit three home runs in a game. As have Jeff Treadway, Juan Beniquez and Lee Lacy. Even Pete Rose.

But for all Jack Clark's big home runs, he had never hit three in a game. Until Wednesday night, an evening for home runs.

Having already had connected

AMERICAN LEAGUE

for a grand slam and a bases empty shot, he homered with two outs in the 14th inning to give the Boston Red Sox a 11-10 victory in Fenway Park that halted the Oakland Athletics' five-game winning streak.

Clark's 17th home run of the season also was his 18th in extra innings, second in major league history to the 22 hit by Willie Mays.

"My job always has been to hit home runs, especially late in a game," he said. "You fail more often than not, so it's nice to come through.

"I just wanted to get the ball in the air and over the Monster. I think everybody wanted to go home. It was a long night for everyone," he said. "It's also nice to be on the same list as Willie Mays. He's always been one of my heroes."

Clark hit his ninth career slam in the third inning off Dave Stewart. He homered again in the eighth, and Jody Reed's two-run shot closed Boston to 10-9. In the ninth, Ellis Burks tripled and Wade Boggs singled off Rick Honeycutt to tie the score.

Boggs went 5-for-7 with three doubles in the game, which lasted five hours. The Red Sox finished *with 11 extra-base hits, high in the* majors this season.

Rickey Henderson led off the game with a home run for the 47th time, extending his own record. Jose Canseco drove in three runs for the Athletics.

John Mottern/Agence France-Presse

Jack Clark also hit a bases-full homer, one of three on the night.

White Sox 10, Rangers 8: Robin Ventura hit a two-out grand slam in the bottom of the ninth inning, rallying Chicago over Texas for its seventh straight victory.

Ventura, who hit a solo home run in the third inning, won it with his *fourth hit of the game. He has hit* 16 home runs this season, including 12 in July.

Pinch-hitter Craig Grebeck drew a leadoff walk from Kenny Rogers in the ninth and Ron Karkovice singled. Joey Cora bunted into a forceout, Rich Gossage relieved and retired Carlton Fisk on a pop-up, but Tim Raines walked to load the bases. Ventura connected off Gossage for his second slam of the season.

Frank Thomas homered in his third straight game, giving him 20 for the White Sox. Ruben Sierra, Rafael Palmeiro and Dean Palmer homered for the Rangers.

Twins 12, Yankees 3: Kent Hrbek's grand slam, during an eight-run second inning, helped Minnesota win in Yankee Stadium.

Shane Mack, who hit two home runs, and Chili Davis also connected in the big inning. The Twins got a season-high 20 hits, including four by Mike Pagliarulo and three each by Hrbek and Mack.

Hrbek hit his seventh career slam and 11th homer of the season off Scott Sanderson as the Twins won for the sixth time in seven games.

New York has lost four straight and eight of 10.

Tigers 3, Angels 1: Cecil Fielder hit two home runs and took over the *major* league lead with 29, as Detroit beat California in Tiger Stadium.

Fielder is one home run ahead of the Athletics' Canseco and is on a pace to finish with 47 homers after hitting 51 last season. He hit 11 home runs in July.

Rob Deer hit his 21st home run for the Tigers as they prevented Mark Langston from becoming the first 15-game winner in baseball. Former Tiger Lance Parrish homered for the only run off Walt Terrell.

Blue Jays 3, Indians 1: Greg Myers drove in the winning run with a sacrifice fly in the fourth and Jimmy Key won for the first time in eight starts as Toronto, playing at home, ended its four-game losing streak.

Orioles 4, Mariners 2: In Seattle, Chris Hoiles hit a two-run single in the 11th inning to win the game for Baltimore. Randy Milligan's RBI triple had tied it for the Orioles in the ninth.

Royals 5, Brewers 4: Brian McRae hit four singles as Kansas City won in Milwaukee.

George Brett, Jim Eisenreich and Brent Mayne hit RBI singles during a four-run third inning.

Another Allegation Against Tyson

The Associated Press

INDIANAPOLIS — Mike Tyson, the former heavyweight champion *who has been accused of forcing an 18-year-old beauty pageant* contestant to have sexual intercourse with him, earlier propositioned the 1990 winner of the Miss Black America title, she has claimed.

The 1990 Miss Black America, Rosie Jones, said Wednesday on the television show "A Current Affair" that Tyson propositioned her July 15 during opening ceremonies for Black Expo.

The Miss Black America pageant is held in conjunction with Black Expo, a celebration of black history, culture and achievements. Tyson made promotional appearances for both events. The 18-year-old contestant has accused him of forcing her to have sexual intercourse in an Indianapolis hotel July 19. A special grand jury will investigate the allegations.

Jones, 27, of Bridgeport, Connecticut, said that Tyson had made inappropriate advances and comments witnessed by her boyfriend, Tyson's bodyguards and several other women.

"He went to put his arm around my waist, where I thought it was going, but it went on my behind and he rubbed my behind," Jones said.

Athletics Trade for Darling and Dodgers Obtain McDowell

The Associated Press

With time running out on the Oakland Athletics, they made their move. So did the Los Angeles Dodgers and Atlanta Braves.

The Athletics beat Wednesday's midnight trade deadline by minutes when they got Ron Darling from Montreal for two minor leaguers.

The Dodgers bolstered their bullpen by obtaining Roger McDowell from Philadelphia for *pitcher Mike Hartley and a minor* leaguer. And the Braves, trying to catch the Dodgers, acquired Jim Clancy from Houston.

"Everybody knew about the deadline," McDowell said. "I wasn't surprised at all. It's a great opportunity for me."

Teams still can makes trades, only now it's harder because waivers are required for interleague deals. Last season, the Dodgers wanted to trade Kirk Gibson to either Oakland or Milwaukee, but the Chicago White Sox put in a *claim for Gibson and blocked the* move.

The next deadline is Aug. 31. By then, players must be in place to be eligible for the postseason.

The Athletics, in third place in the AL West and five games behind *Minnesota, needed another pitcher* for the stretch and didn't want to take a chance on not getting Darling. The deal was announced while Oakland and Boston were playing extra innings in a game the Red Sox won, 11-10, in the 14th.

Darling was traded for the second time in slightly more than two weeks. The deal came less than a week after Oakland, needing a third baseman after Carney Lansford was unable to continue his comeback, got Brook Jacoby from Cleveland.

Last year, *two days before post*season rosters had to be set, the Athletics traded for Willie McGee and Harold Baines on Aug. 29. Both wound up in the World Series.

Darling, 31 this month, began the season with the New York *Mets. He went 5-6 for them and* was sent to Montreal on July 15 for Tim Burke. Darling was 0-2 for the Expos while seeking his 100th career victory, and has a combined 4.37 earned run average.

He is eligible for free agency at the end of the season, meaning that he, like McGee last year, might not be around too long. Still, with Mike Moore on the disabled list and the Athletics unable to find a fifth starter this season, Darling could help.

He is expected to join the A's *when they return home after* Thursday's game in Boston. For Darling, the Expos got Matt Grott, a left-hander, and Russell Cormier, a righty.

The Dodgers do not know for sure how much relief ace Jay Howell has recovered since coming off the disabled list, so they wanted another possible closer. McDowell was 3-6 with three saves and a 3.10 ERA for the Phillies.

McDowell pitched an inning Wednesday night against San Diego. The Phillies' general manager, Lee Thomas, said he asked that McDowell be taken out "because we didn't want him to get hurt."

His contract calls for $200,000 bonus for being traded. Even with a $2 million salary, the Dodgers' general manager, Fred Claire, said McDowell was worth it.

Clancy, 35, was 0-3 with a 2.78 ERA and five saves in 30 games for the Astros. Opponents batted only .193 against him.

■ Gray: Just Slight Progress

Relief pitcher Jeff Gray was resting comfortably Wednesday in Beth Israel Hospital but had made only slight progress since collapsing in the Boston Red Sox clubhouse the previous day, The Associated Press reported.

In a brief report, Arthur Pappas, the team's physician, did not give the cause of Gray's illness and said he did not know when he could pitch again. He said Gray was undergoing further tests.

The doctor said that Gray had a similar attack 10 years ago while a student at Florida State, and that he recovered without any ill effect.

■ Ryan and Dibble Are Out

Nolan Ryan's aching shoulder landed the Texas Rangers' 44-year-old pitcher on the disabled list again Thursday, The Associated Press reported.

It is the second time Ryan has gone on the disabled list since pitching his eighth no-hitter against Toronto on May 1.

He said "it's a nagging-type of *thing that I think I will have to put* up with all season. I don't think it will get better until the off-season, when I can give it time to heal."

Rob Dibble, the Cincinnati Reds' relief ace who still is waiting for a decision on a possible suspension for throwing at a runner, had his four-game suspension and $1,000 fine for hitting a fan with a ball upheld Wednesday by National League President, Bill White.

Dibble began serving the suspension immediately because he decided not to appeal to Commissioner Fay Vincent.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division	W	L	Pct.	GB
Toronto	58	44	.569	—
Detroit	51	49	.510	6
Boston	48	52	.480	9
New York	46	51	.474	9½
Milwaukee	43	57	.430	14
Baltimore	40	60	.400	17
Cleveland	33	66	.333	23½
West Division				
Minnesota	61	41	.598	—
Chicago	57	43	.570	3
Oakland	56	46	.549	5
Texas	52	45	.536	6½
Seattle	51	48	.515	7
California	52	49	.515	7
Kansas City	49	52	.485	10½

NATIONAL LEAGUE

East Division	W	L	Pct.	GB
Pittsburgh	60	39	.606	—
New York	55	45	.550	5½
St. Louis	53	47	.530	7½
Chicago	48	52	.480	12½
Montreal	43	57	.430	17½
Philadelphia	42	58	.420	18½
West Division				
Los Angeles	58	42	.580	—
Atlanta	53	46	.535	4½
Cincinnati	49	49	.500	8
San Francisco	48	51	.485	9½
San Diego	48	53	.475	10½
Houston	41	59	.410	17

Wednesday's Line Scores

AMERICAN LEAGUE

Cleveland 000 100 000—1 6 2
Toronto 000 300 10x—4 6 0
Kiko and Skinner; Key, Hanks (9) and Myers. W—Key, 11-6. L—Kiko, 4-6. Sv—Hanks (23).

California 010 000 000—1 7 2
Detroit 020 000 01x—3 6 0
Langston and Parrish, Tinsley (7); Terrell and Allanson. W—Terrell, 7-9. L—Langston, 14-6. HRs—California, Parrish (11). Detroit, Fielder 2 (29), Deer (21).

Minnesota 000 003 001—12 20 1
New York 001 000 002— 3 9 1
Tapani, Banks (8) and Harper, Ortiz (8); Sanderson, Plunk (2), Leary (7) and Nelson, Gerber (2). W—Tapani, 8-7. L—Sanderson, 10-7. HRs—Minnesota, Davis (23), Mack 2 (11), Hrbek (11).

Kansas City 004 101 000—6 14 0
Milwaukee 100 200 110—4 12 0
Appier, Davis (7), Montgomery (8) and Mayne; Bosio, Haines (3), Lee (4), Crim (8), Henry (9) and Surhoff. W—Appier, 3-2. L—Bosio, 7-8. Sv—Montgomery (28).

Texas 001 000 020— 3 11 1
Chicago 103 010 01x—6 10 3
Brown, Jeffcoat (4), Rogers (8), Gossage (9) and Rodriguez; Carter, Perez (4), Pall (8) and Karkovice. W—Pall, 4-1. L—Gossage, 4-2. HRs—Texas, Sierra (15), Palmer (8), Palmeiro (17). Chicago, Ventura 2 (16), Thomas (20).

Oakland 000 120 020 006—11 15 2
Boston 004 011 031 000 01—11 15 1
(14 innings)

Stewart, Nelson (6), Honeycutt (8), Corsaltti (10), Chitren (14) and Steinbach, Quirk (7); Klecker, Irvine (4), Fossas (8), Reardon (9), Harris (11) and Marzano, Pena (8). W—Harris, 7-11. L—Chitren, 1-3. HRs—Oakland, R.Henderson (8), Boston, J.Clark 3 (17), Reed (3).

Baltimore 010 000 001 02—4 7 0
Seattle 000 011 000 00—2 7 0
(11 innings)

Johnson, Flanagan (7), Olson (11) and Melvin; DeLucia, Jackson (8), Murphy (9), Swift (11) and Bradley. W—Flanagan, 2-3. L—Swift, 1-2. Sv—Olson (22). HR—Seattle, Bohner (17).

NATIONAL LEAGUE

San Diego 000 101 010—3 9 1
Philadelphia 000 203 30x—9 11 1
Harris, Rodriguez (4), Costello (7), Maddux (8) and Santiago; Ruffin, McDowell (8), Bowen (9) and Daulton. W—Ruffin, 3-3. L—Harris, 2-3. HRs—Philadelphia, Chamberlain 2 (4).

Chicago 100 000 000—1 5 2
Cincinnati 031 001 00x—5 9 1
Castillo, Wilson (5), Slocumb (7), Scanlan (8) and Wilkins; Rijo, Minetelli (8), Power (8) and J.Reed. W—Rijo, 7-2. L—Castillo, 3-2. Sv—Power (2).

Pittsburgh 024 000 000—6 9 1
Atlanta 017 000 00x—8 12 0
Reed, Palacios (5), Kloser (7) and LaValliere; Smoltz, Freeman (5), Stanton (7) and Olson. W—Smoltz, 6-12. L—Palacios, 6-3. Sv—Stanton (2). HRs—Pittsburgh, Bonds (16), LaValliere (3). Atlanta, Sanders (4), Blauser (8).

St. Louis 000 200 112—6 10 1
Houston 401 010 30x—9 9 2
Tewksbury, Fraser (5), Terry (7), Agosto (8) and Pagnozzi; Kile, Capel (7), Wilkins (7) and Biggio. W—Kile, 4-6. L—Tewksbury, 7-7. Sv—Wilkins (1). HRs—Houston, Gonzalez (18), Bagwell (10).

New York 100 200 000—3 12 1
Los Angeles 000 210 30x—6 12 0
Fernandez, Burke (4), Simms (5), Innis (5), Penn (7) and Sasser; Hershiser, Gross (4) and Carter, Sciscia (8). W—Gross, 6-4. L—Burke 4-6. HR—Los Angeles, Strawberry (13).

Japanese Baseball

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Chunichi	46	39	1	.405	—
Yakult	48	34	1	.585	1
Hiroshima	39	32	1	.549	4½
Yomiuri	47	41	0	.534	5
Tokyo	34	47	1	.420	14½
Honshin	24	54	0	.308	22

Thursday's Results
Chunichi 10, Tokyo 1
Yakult 6, Hiroshima 5, 12 innings
Yomiuri 5, Honshin 4

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Kintetsu	50	29	2	.633	—
Seibu	49	31	2	.613	1½
Nippon Ham	41	40	2	.506	10
Daiei	36	41	0	.468	12
Orix	35	44	2	.443	13½
Lotte	25	54	0	.316	25

Thursday's Results
Kintetsu 5, Nippon Ham 5, tie
Orix 6, Daiei 1

SAILING

ADMIRAL'S CUP
First Day, at Cowes, England

50-foot class — 1. Mandrake, Italy, 3 hours, 51 minutes, 6 seconds, 8.25 points; 2. Juno V, Britain, 3:52:24, 7.00 pts; 3. Will, Japan, 3:54:20, 6.00 pts; 4. Corum Sophir, France, 3:54:38, 5.00 pts; 5. Champosa VII, U.S., 3:55:08, 4.00 pts; 6. Tubora, Denmark, 3:56:04, 3.00 pts; 7. Container, Germany, 3:56:38, 2.00 pts; 8. Cyclone, Australia, 3:57:24, 1.00 pt.

Two-Ton class — 1. Robin XII, Germany, 4:01:43, 8.25 pts; 2. Wings of Oracle, Britain, 4:04:24, 7.00 pts; 3. Unibank, Denmark, 4:04:58, 6.00 pts; 4. Larouge, Italy, 4:04:55, 5.00 pts; 5. Bravura, U.S., 4:05:08, 4.00 pts; 6. Corum Rubis, France, 4:07:07, 3.00 pts; 7. Bimblepumble, Australia, 4:10:07, 2 pts; 8. Carina, Japan, 4:11:25, 1.00 pt.

One-Ton class — 1. Bravo, Italy, 4:11:34, 8.25 pts; 2. Shamdora II, Australia, 4:12:14, 7.00 pts; 3. Vibes, U.S., 4:12:27, 6.00 pts; 4. ABAP/4, Germany, 4:14:04, 5.00 pts; 5. Port Pendennis, Britain, 4:14:24, 4.00 pts; 6. Zorich, Denmark, 4:17:11, 3.00 pts; 7. Soica, Japan, 4:17:39, 2 pts; 8. Corum Diamant, France, 4:18:42, 1 pt.

Standings — 7. Italy, 21.5 points; 2. Britain, 18.00; 3. Germany, 15.25; 4. U.S., 14.00; 5. Denmark, 12.00; 6. Australia, 10.00; 7. France, 9.00; 8. Japan, 9.00.

TRANSACTIONS

BASEBALL
American League
CLEVELAND—Put Rudy Seanez, pitcher, on 15-day disabled list.

FOOTBALL
National Football League
CINCINNATI—Signed Mike Dingle, running back.
GREEN BAY—Signed Chuck Webb, running back, and Chuck Cecil, safety. Waived Joey Hester, punter. Put Elston Ridgle, defensive lineman, on waived-injured list.
HOUSTON—Agreed to terms with Cody Carlson, quarterback, on two-year contract.
N.Y. GIANTS—Signed Jarrod Bunch, fullback, and John Washington, defensive lineman, to three-year contracts.
SAN DIEGO—Released Roland Poles, running back.

HOCKEY
National Hockey League
CHICAGO—Signed Justin Lafayette, left wing, and Rob Conn, right wing.
MINNESOTA—Named Bob Hoffmeyer coach of Kalamazoo, International Hockey League.
N.Y. RANGERS—Named Martin Madden scout.

COLLEGE
BENTLEY—Named Carl Charabasz assistant basketball coach.
CLEMSON—Named Jack Leggett assistant baseball coach.

SOCCER

FRENCH FIRST DIVISION

Montpellier 1, Paris St. Germain 1
Monaco 3, Rennes 1
Toulouse 2, Sochaux 1
St. Etienne 3, Nimes 0
Lens 0, Caen 0
Auxerre 1, Toulon 0
Nantes 1, Lille 2
Marseille 2, Metz 0
Le Havre 1, Cannes 0
Nancy 0, Lyon 0

Standings: Monaco, 6 points; Auxerre, Marseille and Le Havre, 5; St. Etienne, Metz, Toulouse and Caen, 4; Lille, Nantes, Paris St. Germain, Lens and Nancy, 3; Cannes, Lyon and Nimes, 2; Sochaux and Montpellier, 1; Toulon and Rennes, 0.

FOOTBALL

Canadian League

EASTERN DIVISION

	W	L	T	PF	PA	Pts
Toronto	3	0	0	106	52	6
Winnipeg	1	2	0	62	65	2
Hamilton	0	3	0	43	116	0
Ottawa	0	2	0	79	103	0
WESTERN DIVISION						
Calgary	3	0	0	129	90	6
Edmonton	3	1	0	144	114	6
Brit Colmb	2	1	0	97	98	4
Saskatchewn	1	3	0	129	152	2

Wednesday's Result
Edmonton 54, Saskatchewan 24

SIDELINES

English Leading Scandinavian Golf

STOCKHOLM (AP) — Derrick Cooper of England, having missed the cut in three straight European Tour events, and fast-improving countryman Paul Broadhurst each shot 7-under-par 65 Thursday to share the first-round lead in the Scandinavian Masters.

Steven Richardson of England, who is third on the European Order of Merit, Eamonn Darcy of Ireland and Joakim Haeggman of Sweden were *tied for third at 66 in the $1 million tournament. Europe's richest behind* the British Open.

Iraq Says It Will Compete in Olympics

BAGHDAD (Reuters) — Iraq said Thursday that it would take part in the 1992 Olympic Games in Barcelona.

The official Iraqi News Agency quoted an official source at the national Olympic committee as saying Baghdad would announce later which events it would take part in. It gave no details.

There has been no word on the issue from the International Olympic Committee; Iraq was barred from several international sporting events, including the Asian games in Beijing, after invading Kuwait.

Feyenoord Wins in Appeals Court

AMSTERDAM (Reuters) — An appeals court overturned Thursday a lower court's ruling that the second half of the Dutch Cup final between BVV Den Bosch and Feyenoord Rotterdam should be replayed, the Dutch Soccer Union said.

The lower court had ordered a replay of the second half after Den Bosch complained that only 83 minutes of the June 2 final had been *played when Feyenoord fans invaded the pitch in Rotterdam. Feyenoord* won, 1-0.

■ The United States will play in the 1993 South American soccer championship tournament.

The Confederation of North and Central American and Caribbean Football and the Confederation of South American Football said Wednesday that they had agreed to let the United States and another CONCACAF nation participate in the 1993 Copa América, a tournament previously open only to the 10 South American nations. In addition, Argentina and another South American nation will participate in the 1993 CONCACAF Gold Cup. *(AP)*

For the Record

John Wooden, 80, the former UCLA basketball coach was reported to be resting comfortably after a 3½-hour hip replacement operation Wednesday in Los Angeles. *(AP)*

Bayern Munich, preparing for the weekend's start of the German soccer season, Thursday signed Brazilian international Mazinho for $2 million. *(Reuters)*

INTERNATIONAL CLASSIFIED

(Continued From Back Page)

ESCORTS & GUIDES

MILLIONAIRES CLUB
INTERNATIONAL ESCORT AGENCY
LONDON 071 589 8435
LOS ANGELES 213 969 4895
All Credit Cards Welcome

MERCEDES
V.I.P ESCORT AGENCY
9 AM TILL MIDNIGHT - 7 DAYS
MAJOR CREDIT CARDS ACCEPTED
TEL: LONDON
(071) 351 6666

INTL ESCORT SERVICE
The world's most beautiful escorts
Head office in New York
1841 Broadway, Ste. 1000, NYC 10023
212-765-7896
Major Credit Cards & Checks Accepted

DIPLOMAT
ZOE'S INT'L ESCORT AGENCY
London 071 221 0453
or Freephone 0800 252810
Credit Cards Welcome

CROWN CLUB LTD
NEW YORK ESCORT SERVICE
(212) 688-2271

CHANEL
VIP ESCORT SERVICE
LONDON 071 224 0429

MAYFAIR
V.I.P. ESCORT AGENCY
LONDON 071 402 6429

ZURICH SUSAN
ESCORT SERVICE Tel: 01/382 05 80

ZURICH
Elite Escort Service 077/61 38 19

LONDON TOP LUXURIOUS ESCORT
VIP's UPPER CLASS MODEL SERVICE
FRENCH, ITALIAN, SWEDISH c/cards
071 581 8808 or 0831 562 265

GENEVA-ROYAL-GENEVA
VIP-ESCORT-SERVICE
OPEN 7 DAYS. Tel: 022/49 56 82

"LONDON & PARIS CONTACT" 1st class French Escort Service & Travels for executives. London: (071) 351-1152

AMSTERDAM BERNADETTE ESCORT Service. Number One. Telephone 020 63 36

FRANKFURT - WIESBADEN
New "Test the Best" Escort Service.
Tel: 069 - 597 66 66.

FRANKFURT
Princess Escort Service, 7 days.
Tel: 069 / 666 25 64.

ZURICH NEW
High class Escort Service.
Tel: 077 / 63 83 32.

TOKYO
First Class Escort / Guide Service. Tel: (03) 3351 - 2278.

ESCORTS & GUIDES

MADRID IMPACT ESCORT and Guide Service. Multilingual. Visa. Open 11am - midnight. Tel: 261 4142.

"NATALIE" YOUNG EXCLUSIVE Black lady escort and guide service London 071 727 3102.

KASHMIR VIP ESCORT SERVICE
Indian and Asian Beauties
London 071 370 3492.

AMSTERDAM LIBERTY ESCORT Service. Top Class Lady's Tel: 020-6180604 All Credit cards (also dinner dates).

ITALIAN MODEL
ESCORT SERVICE
TEL: LONDON 071 383 7685.

MUNICH 91 23 14
ESCORT & GUIDE AGENCY.
THE FRIENDLY SERVICE.

DOM ENRIQUE Transatlantic Escort Service
Tel: London 071 289 2379.

LONDON-PARIS-COTE D'AZUR exclusive French Escort Agency, until midnight, 7 days /7. London 071 386 0214.

VIENNA-BRATISLAVA
"Eurocontact" Escort Service, credit cards. Tel 0222/894 16 19.

ORIENT JAPANESE CHINESE THAI Escort Service. Days and evenings. Please phone 071 225 3314 London.

LIVING IN THE U.S.?
NOW PRINTED IN NEW YORK FOR SAME DAY DELIVERY IN KEY CITIES
TO SUBSCRIBE, CALL
1-800-882 2884
(IN NEW YORK, CALL 212-752-3890)
International Herald Tribune.

AT&T USADirect Service.
Your Express Connection to AT&T Service.

Calling the States when you're overseas has never been easier. All you have to do is dial a number to be connected to an AT&T Operator in the U.S. You can use your *AT&T Calling Card* or call collect.

AT&T USADirect Service is available in over 90 countries. Here are some of them.

AUSTRIA**	022-903-011	ITALY**	172-1011
BELGIUM**	11-0010	LUXEMBOURG	0 800-0111
DENMARK**	8001-0010	NETHERLANDS**	06* 022-9111
EGYPT**	356-0200	NORWAY**	050-12011
FINLAND**	9800-10010	POLAND*	010-480-0111
FRANCE**	19* 0011	PORTUGAL	05017-1-288
GERMANY¹	0130-0010	SAUDI ARABIA¹	1 800-100
GREECE**	00-800-1311	SPAIN	900-99-00-11
HUNGARY**	00* 36-0111	SWEDEN**	020-795-611
IRELAND	1 800-550-000	SWITZERLAND**	155-00-11
ISRAEL	177-100-2727	U.K.	0800-89 00*1

For additional *USADirect* access numbers or information about the service, call us collect at 412-553-7488. When in the U.S., call 1 800 874-4000 Ext. 416 for your free *USADirect* information card.

*Await second dial tone. **Public phones require coin or card. ¹Western portion. ²Dial "0" and await second tone outside Warsaw. ³Dial "02" first, outside of Cairo. ⁴Limited availability.

AT&T The right choice.

هكذا من الأصل

OBSERVER

Let the Sap Run Out

By Russell Baker

NEW YORK — It would be useful if cultural historians could pinpoint the moment when Americans, more or less simultaneously, stopped saying "wise up." Until that moment, being "wised up" was the essence of Americanism and anybody who wasn't "wised up," or at least capable of "wising up," was probably "a hopeless sap" and deserved everything that hit him.

"Sap," incidentally, is another important word that has fallen out of use. Plenty of synonyms have tried to replace it. "Airhead" is in vogue right now. But "sap" had a simple force, with a sound as businesslike as a pistol butt on the side of the skull.

Moreover, if it is lost to the language, Americans will never again be able to relish that moment in "Horse Feathers" when Groucho Marx interrupts his classroom lecture by telling Chico to "drill a hole in yourself and let the sap run out."

□

Being wised up meant being too smart to fall for the kind of people who tried to treat you like a "sap." Above I said it was the essence of Americanism, but "Americanism" was the kind of word that immediately put wised-up people on guard, as did almost all political ideas ending in "ism."

When you heard somebody turning America into an "ism" you immediately knew, if you were wised up, that this bird doing the talking was grinding a political ax and you'd better be on guard if you didn't want to be taken for a sap.

The value of being wised up was probably strongest during the Depression when people were suffering the consequences of long years of gullibility. In "Romantic Comedy," a book about the sophisticated movie comedies of the 1930s, James Harvey notes that a great strength of those comedies was their wised-up view of the world.

This rooted these frothy film fantasies in a stark realism that perhaps could have flourished only in the Depression. These comedies, as Harvey observes, rejected the conventionally sentimental view about the sweetness of American small-town life and saw it instead peopled with connivers, busybodies, malicious gossips, narrow bigots and biting dogs.

Accepting the sentimental view of small-town life was for saps, as were the assumptions that the public was good-hearted, the cops kindly and the businessmen beneficent. The 1930s comedies took it for granted that the public knew selfishness, greed, duplicity, mendacity and mean-spiritedness were commonplace. They were movies for a wised-up audience.

Once World War II was under way, being wised up was valued less, and perhaps even deplored since a nation trying to wage a war cannot afford to have its public totally wised up. Still, as illustrated by the literary war tales and many a TV comedy since about that war (the Sergeant Bilko series, for instance), soldiers who were wised up tended to be the ones who thrived.

The onset of the Cold War and Senator Joseph McCarthy made it dangerous to be wised up. Many Americans made a virtue of a nasty necessity, which was to behave respectfully toward people they feared, and started priding themselves on their "Americanism."

It would have been the ideal moment for a revival of "Don't be a sap. Wise up!" The style in wisdom had changed, however.

□

Just as deadly to the cause of a wised-up America was the serene eight-year reign of President Eisenhower with the virtue of positive thinking being preached ad nauseam. Eisenhower himself, who was scarcely ever criticized by press or public, said that he did not mind criticism provided it was "positive criticism."

With the Depression receding into memory, Eisenhower was leading us into an Age of Saps. It reached some kind of milestone in a press conference one day when a reporter rose to ask, "Mr. President, why do young people like you so much?"

Even Eisenhower must have winced at that, for his attempt at a reply was even more muddled syntactically than his usual press conference language. I have since wondered if he wasn't fighting an impulse to say, "Wise up, man! Don't be a sap!"

So what about the crime bill now in Congress? It really will get everybody off drugs and end all this violence, won't it?

New York Times Service

The Pee-wee Story: No More Mr. Nice Guy

By Daniel Cerone and Alan Citron
Los Angeles Times Service

LOS ANGELES — On "Late Night With David Letterman," the comedian Robert Klein walked on stage shouting "Free Pee-wee!" He then turned to the camera and offered some friendly advice: "Pee-wee, get a VCR."

Everybody is talking about Pee-wee Herman. In a chain reaction with all the explosiveness of a nuclear meltdown, news of the actor Paul Reubens's arrest last week in an adult movie theater on charges of indecent exposure has swirled across the world in a blaze of tasteless humor, controversy, criticism and ill-informed man-on-the-street opinions.

The 38-year-old actor, who was arrested in his hometown of Sarasota, Florida, has denied the charges. According to his publicist, Reubens is in seclusion with friends and will not discuss the case with the press.

But that has not stopped the press's pundits and commentators from raking Reubens through the celebrity-smashing muck. The television shows, radio programs, tabloids and newspapers that helped to build Reubens's dweeby Pee-wee Herman character into a 1980s pop icon are now turning him into the butt of a 1990s sick joke.

"A Current Affair," the sensationalist television news magazine, aired a live story from Sarasota with Reubens's sixth-grade teacher. The New York tabloids and USA Today featured front-page photos of Reubens.

Reubens's booking photo was intercut with live shots of bare-breasted women on the video screen at a Guns N' Roses concert in Inglewood, California.

Radio talk show switchboards lit up and office fax machines worked double time transmitting new Pee-wee jokes.

So the question is, why all the attention? Why are so many people paying attention to the Pee-wee Herman story in a week that has seen the presidents of the United States and the Soviet Union embrace like old friends? As police in Milwaukee and Ohio uncover the grisly evidence of a long, sickening string of murders? As Yugoslavia disintegrates?

"I think it's the incongruity of the situation. It's almost like Donald Duck flashing in a public park," said the anchor of the Los Angeles station KCBS, Michael Tuck, who delivered an impassioned on-air commentary Tuesday night in which he called himself a "disappointed Pee-wee Herman fan." "If anybody else would have done that, not too much would have been thought about it. But Pee-wee Herman?"

"Celebrities by definition are not real," said David Nuell, executive producer of "Entertainment Tonight." "They're bigger than life, unreal, fantasy figures. So when they do something real, unfortunately for them, something that reflects some human frailty, they become much more fascinating because their vulnerability is out there for the world to see."

The president of Fox Children's Network, Margaret Loesch, saying she had not seen such an outcry or reaction in 20 years, called the incident with Reubens the "worst nightmare" of a children's programmer.

"He's become a children's television and movie celebrity," she said, and such celebrities "want the image of being squeaky clean so they're acceptable to parents and advertisers, and an appropriate role model for kids.

"This is clearly the American, rigid, puritanical taboo at work here. The whole issue of deviant sexual behavior is a taboo. And then you link that to children, you really start to scare people."

Amid the media attention, there have been some voices coming to Reubens's defense. The actor's publicist, Richard Grant, says he has received hundreds of calls from supportive fans.

On Tuesday afternoon, after CBS and Disney cut off their ties with Reubens's adolescent Pee-wee character, a celebrity force of Bill Cosby, Joan Rivers and Cyndi Lauper issued statements in Reubens's defense. "I think they are judging the man on what he's done, without the right of due process," Cosby said.

"I think this case is of particular interest because here you have a guy who made his career as a performer for youngsters," said Mike Watkiss, West Coast correspondent for "A Current Affair." "He won an Emmy. He caters to children. He's a nice guy we've allowed our children to spend Saturday morning with for years. Now he's arrested in Sarasota, Florida, in a sleazy sex palace? Where were the signals crossed? Why have we allowed this?

"You wonder, what goes on behind the public persona with these people who represent themselves one way, and make a lot of money that way, and then reveal something so completely different."

Burt Dubrow, executive producer of the afternoon talk show "Sally Jessy Raphael," which seeks out provocative stories, said people had been captivated by seeing police photos of Reubens, which unmask the white-faced, cherry-lipped Pee-wee.

The Associated Press

Paul Reubens as photographed on his arrest in Sarasota, Florida, and right, as Pee-wee Herman.

"It really freaked us out when we saw the picture, because it was so opposite from what we know of him," he said. "In 10 years we've never seen a picture of him out of character until today."

John Cotter, metropolitan editor of the New York Post, said the pictures his paper ran were given such prominent display because they contrasted so sharply with the public image of Pee-wee. "The mug shots were definitely the thing that grabbed us," Cotter said. "It was pretty startling to see him like that."

The National Enquirer plans to put Pee-wee on its cover next week because the incident is what its editor, Iain Calder, called a "Gee whiz" story. "When you come up with something that is totally unbelievable, but true, people go, 'My God,'" Calder said. "There's a shock value to it."

Calder said that people liked to feel as if they had pulled the mask off the Lone Ranger. "It allows them to feel superior," he said, "because some of them say, 'Well, I knew that all along. I saw Pee-wee prancing around. I knew that there was something wrong with that guy from the start.'"

On the other side of the camp, many people are outraged that the media, like a pack of hungry wolves, seem to have pounced on Pee-wee to feed before he has been convicted. Others are angry at CBS for pulling five repeats of "Playhouse" and the Disney-MGM Theme Park in Florida for removing a two-minute Pee-wee video from its studio tour.

David Burke, who organized the Pee-wee Defender's Club with 25 friends in San Francisco, said he did so because "we're really upset about this trial by media, presuming guilt before innocence." He called the media coverage the latest example of "mob-ruled hysteria and lynch-mob mentality.

"And it was a spineless maneuver by CBS, pulling reruns of the show for something he's only been accused of," Burke said. "The members of our club are boycotting CBS advertisers and urging people to send red bow ties to CBS as a protest. This guy made them a lot of money, then something questionable happens, and boom, he's gone."

PEOPLE

Liz Picks Valentino, Versace for Fortensky

Elizabeth Taylor showed the wisdom of Solomon in deciding which of her favorite designers, Valentino or Gianni Versace, would design her dress for her wedding to Larry Fortensky. Valentino gets the dress, Versace gets Fortensky's tuxedo. Meanwhile, Taylor said that she and Fortensky, a construction worker, had put off their wedding, her eighth, by one day, moving it to Oct. 6. Taylor, 59, and Fortensky, 39, met in 1988 at the Betty Ford Center for drug and alcoholic rehabilitation. **Michael Jackson** will give away the bride in a ceremony at his California ranch.

□

In a gesture of gratitude, loyalty, affection and sadness, hundreds of Washington Post staffers turned up at work Wednesday dressed like **Ben Bradlee** — in striped shirts with white collars — to honor his last day as executive editor. Reporters stood on desktops. Editors crowded the outskirts of his glass office. Applause rose up. Publisher **Don Graham** cheered Bradlee's "verve and guts and zest for the big story, and the little story . . . and the determination to get the best reporters and editors and photographers to join him." Then it was Bradlee's turn. "I am overwhelmed by you," he said to the hundreds assembled, "just as I have been since the day we met."

□

Ronald and **Nancy Reagan** have won approval to be buried on the grounds of his presidential library in Ventura County, California, despite protests from environmentalists who say the graves will cause pollution by attracting tourists. The library is on a hill in Simi Valley outside Los Angeles.

□

Emily Lloyd has reached a settlement with Orion Pictures and a production company in her suit demanding payment for a role in the film "Mermaids" that went to someone else. Lloyd, 20, who is best known for her role in the British film "Wish You Were Here," declined to give details.

□

Frank Sinatra will perform in the amphitheater in Pompeii during a world tour to celebrate his 75th birthday. Organizers have promised to protect the historic site from fans during the Sept. 26 concert.

INTERNATIONAL CLASSIFIED

PERSONALS

DARLING M. Already 7 days without chocolate, and I'm surviving, but just barely. I need and love you so.

LEGAL SERVICES

INVEST FOR A GREEN CARD
New U.S. Permanent Resident Visa for $1Million Investment and Creation of Ten Jobs
For Further Information Contact:
Irving I. Spitzberg, Jr., Esq.
and Julian H. Saxer, Esq.
AMERICAN IMMIGRANT INVESTOR PROGRAM
Suite 1100, 1700 K St., NW,
Washington D.C. 20006 USA
Tel: 202-887-0100; 301-539-1943 (Eve)
Fax: 301-593-5898

DIVORCE BY MAIL. Final in 14 days certified by US Government. Tel: Germany (49) 211.714950.

SATELLITE TV

RIVIERA SATELLITE. Monaco to St Tropez. Buy or rent from 10FF/day. Also Sky/BBC decoders. Robin Morris. Tel (+33) 93.78.78.00. Fax 93.25.46.74

MOVING

GLOBAL INTERNATIONAL

	EUROPE
LONDON	(44) 81 997 43 21
PARIS	(33) 1 47 20 28 28
AMSTERDAM	(31) 20 44 72 44
BONN	(49) 228 66 40 11
FRANKFURT	(49) 610 52 10 11

MAKE YOUR FIRST MOVE THE RIGHT MOVE CALL GLOBAL

MOVING

trans euro

LONDON	Tel: 081 784 0100
ABERDEEN	Tel: 0224 821050
PARIS	Tel: 1 34 48 97 97

Agents for United Van Lines, Movers Intl, Graebel, and American Intl

MOVING

1992 - NOW !
interdean
INTERNATIONAL MOVERS
FOR A FREE ESTIMATE CALL
PARIS (1) 39569000
NICE COTE D'AZUR 93742121

MARTINI TECHNOTRANS - NICE / CANNES. Tel: 93.39.43.44. Overseas Moving - Storage - Packing - Air/Sea Shipping. Car/Baggage, Clearance.

ANNOUNCEMENTS

TO OUR READERS VISITING FROM THE U.S.A.
THE IHT IS NOW AVAILABLE IN MANY U.S. CITIES ON DATE OF ISSUE

Now printed by satellite transmission in New York the International Herald Tribune offers same-day home or office delivery in Manhattan, most areas of Boston, Los Angeles, Miami, Philadelphia, San Francisco and Washington D.C.

Subscription copies are now flown directly to Atlanta, Chicago, Denver and Seattle for speedy mail delivery.

In the U.S.A., call TOLL FREE 1-800-882-2884
In New York, call **(212) 752-3890**
or write International Herald Tribune 850 Third Avenue New York, N.Y. 10022 Telex: 497 175 Fax. (212) 755-8785

ALCOHOLICS ANONYMOUS English speaking meetings daily. Tel: PARIS 46 34 59 65 or ROME 678 0320.

IMPORT/EXPORT

USED LEVIS-400 PAIR at $20.00 Austin, Texas & 67 Mustang $7500. Fax: 512-444-9192 USA. Tye Marcum.

BUSINESS OPPORTUNITIES

IRISH NON-RESIDENT COMPANIES £195

Ideal tax-avoidance vehicles: low profile, tax free & European. Suitable for trading, consultancy and other activities. For immediate service contact:

Elish Murphy, Director, Sovereign Company Services, 3 Fitzwilliam Place, Dublin 2, Ireland.
Tel: +353 1 618490 Fax: 618493

OFFSHORE

Companies for all purposes including banking and insurance. We offer 30 years professional experience worldwide. Brochure on request.
ASTON CORPORATE MANAGEMENT
19, Peel Road, Douglas, Isle of Man.
Tel: 0624 626 591 Fax: 0624 625 126

*** CZECHOSLOVAKIA ***
LOOKING FOR QUALITY GOODS AT FACTORY PRICES ?
Currently available: Large quantities of classic design kitchen towels, bath towels, table cloths, etc. For inquiries:
Wadena Bayer Import/Export,
H. Roemerhof, CH-3954 Leukerbad.
Fax 41 + 27/613492. Tel 41 + 27/611921

GOLD & SILVER EQUALS PROFIT ?
Recent laws offer unique opportunity for investment. For free tax filled brochure call 44 71 702 3234 or write Hansen International, 500 Chesham House, 150 Regent Street, London UK W1R 5FA

EUROPE: we offer you (interim) management or set up your business or project. Fully equipped office in Holland available. Let us know your challenges. R. Sebadoen. Tel: (31) 3440 11426 Fax 3440 22311.

WANTED INVESTORS & agents. We own over 400 prime parcels of land in LA County CA available for sale with financing. High appreciation potential. Jan Kaufman, VP BC Group 415/364-3330 or Fax 415/364-0720 USA.

WE CAN FINANCE your investments &/or purchases in Czechoslovakia on good conditions. If interested Fax Holland (31) 3240-16714. Telex: 44-76033

BUSINESS SERVICES

CONTACT EUROPE Amsterdam. Rent-a-Desk: Full professional office support services for an hour, day or longer. Tel: +31.20.6847777. Fax: 6881374.

LONDON ADDRESS BOND STREET. Mail, Phone, Fax, Telex, Conference room. Call 071-499-9192. Tx: 262690.

FINANCIAL SERVICES

The BEST read in the Galaxy. The Intl Harry Schultz Letter, financial newsletter par excellence. Covers stocks, bonds, metals, geopolitics, economics. The Ultimate Newsletter. $275 a year, $159 for 6 months, $50 trial. HSL, Box 622, CH-1001 Lausanne, Switzerland. (In our 27th year).

SERVICED OFFICES

ANSWERING SERVICE IN PARIS: Telex, Fax, secretary, errands, mail box, live 24H/DAY. 20 YEARS EXPERIENCE. PAT: 1-46099595 Tx 270560

YOUR ADDRESS near Champs Elysees LS.P. (since 1957). 5 rue d'Artois, 75008 Paris. Mail, phone, offices. Tel: 4359 4704. Tlx 642504. Fax 4256 2635

OFFICES FOR RENT

BASTILLE NATION
MEETING ROOMS
BANQUET ROOMS
any length - all services
Tel: Paris (1) 40 21 22 96

EMPLOYMENT

EMPLOYMENT SERVICES

OVERSEAS EMPLOYMENT SERVICES
Are you in the employment business or wish to start an agency? We can help place your clients worldwide - any position. High commissions-no obligation. For details:
FAX U.S. 205-943-3900

EXECUTIVE POSITIONS AVAILABLE

INT'L NON-GOVERNMENTAL organization specialized in information and communication is seeking a self-reliant, highly organized, articulate assistant to the Director General with special responsibility for external relations. English is a must, Spanish a plus. Candidate must be willing to travel. He or she will work without a secretary and under stress. Salary at international NGO levels, with medical insurance and private pension fund. Work will be very challenging and provide unique international experience. Send CV with photo, to Roberto Spano, Via Paniperna 207, Rome before September 30th.

GENERAL POSITIONS AVAILABLE

ITALIAN CHEF - EXPERIENCED English speaking chef required for expanding Italian restaurant in Hong Kong. Housing, generous salary + incentive. Send C.V. + references to BESCO, 914 Tung Ying Bldg. No. 100 Nathan Road, Hong Kong.

SECRETARIAL POSITIONS AVAILABLE

MINERVE SEEKS for AMERICAN FIRMS in PARIS:
English, Belgian, Dutch or German secretaries. Knowledge of French required. English shorthand. Bilingual telexists. Write or phone: 422 rue Saint Honore, 75008 Paris, France. Tel: (1) 42 61 76 76.

DIRECTOR Finance and Planning of Rome based int'l non-governmental organization is recruiting a secretary. English mother tongue is desirable. Negotiable package of remuneration on application to Vic Sutton, IPS, 207 Paniperna, Rome, Italy by August 15.

DOMESTIC POSITIONS WANTED

PARIS: I will housesit for you & care your pets. 1 mo. or longer. Free end Aug. Mature US woman. Royal references. M. Lombard, chez Montlaus, 9bis rue Ledru Rollin, 92240 Malakoff, France or leave message 1-47461290

PORTUGUESE COUPLE, chauffeur & general housework. Fax Martins, c/o Herald Tribune Paris (1) 46 37 93 70.

AUTOS TAX FREE

TRASCO BREMEN. Tax free from stock NEW MERCEDES S-CLASS W140. Tax free new and used Audi, BMW, Mercedes, Porsche, Volkswagen, Volvo. Steindamm 38, 2820 Bremen 77, Germany. Tlx.: 246624. Fax: (0)421/630205. Tel: (0)421/633044.

TRASCO BREMEN Mercedes + Audi Armored cars & stretched limousines from stock. Steindamm 38, D-2820 Bremen 77 Germany. Tlx: 246624. Fax: (0)421/630205. Tel: (0)421/633044.

EUROPE AUTO BROKERS, Inc Tel: Holland (31) 3402-64494 Fax 60994

AUTOMOBILES

1964 PORSCHE 904 #067, 2.2 S. Red, restored & complete. Tel: 419-878-8745 USA.

AUTO SHIPPING

TRANSCAR 17 av de Friedland, 75008 Paris. (1) 4225 6444. Nice 9321 3550. Antwerp 233 9985. Cannes 9339 4344

ANTIQUES

FOSSILS, IMPORTANT, JAVA (Solo). Serious collectors only. Fax: 0065-7344593 #01-06 Yim, Singapore.

AUTO SERVICES

LICENCE PLATES EXPIRE? Fast solution. GMC, 26 Kleomenou, 10675 Athens, Greece. Fax 7219080

BOATS/YACHTS

SELLING 16.53M POWER BOAT. Your 3-cabin floatel awaits you, Athens area. Bring liners only preparing 30k island cruising. Freshly painted, impeccable sleek Pakon 2 x 520 HPGM's, air conditioning. TVCR. Call (301) 413-7257

Page 29 FOR MORE CLASSIFIEDS

HOLIDAYS & TRAVEL

HOTELS

Summer break in Monte Carlo at
Le Métropole Palace
* * * * L
Exceptional package* including

1080 FF/night/room. 1 or 2 persons inc. tax & service
- VIP treatment
- Accommodation in luxurious Junior suites
- Continental breakfast
- use of seawater swimmingpool and sun terrace

* available until September 8th 1991

For reservations call your travel agent, Hilton Reservation Service or the hotel direct on : 93 15 15 15 - Fax : 93 25 24 44

First Service

Regardless of whether you serve your aces into the left or right hand court or are better at producing forehand or backhand winners, one thing is certain: our private coach will ensure you always have First Service on our three tennis courts. The renowned Kulm service will ensure that you have a five-star holiday both on and off the court: *Indoor pool, sauna, solarium, massage, bridge buffet, evening events.*

KULM HOTEL ST. MORITZ
CH-7500 St. Moritz
Telephone +4182 21151
Fax +4182 33738
In the discerning guest

A real must in Zurich/Switzerland the only hotel directly on the Limmat river
Hotel zum Storchen
Am Weinplatz, CH-8001 Zurich
Telephone 41+1/211 55 10
Telefax: 41+1/211 64 51

HOLIDAYS & TRAVEL

FORT MYERS, FLORIDA! Completely furnished condos & homes available near beach! Summer rates, May-Nov. from $1050/month or $300 per week. Winter rates Dec.-April from $1800/month or $800/week.

VIP REALTY GROUP, INC. Fax 813-481-8477 Tel: 813-481-6111

HOTELS

ANDORRA

******HOTEL ROC BLANC LUXE****** Spa & fitness center. Ball & convention rooms. Fax 033.628.60244.

HOTELS

PHILIPPINES

ADMIRAL HOTEL, MANILA. First Class, personalized service, facing Manila Bay in City center. Bookings. Tel: 5210711 Fax: 522-2018

ITALY

ROME, HOTEL VICTORIA **** moderate rates, restaurant, central, opposite Villa Borghese park, garage. Tel 6-473931 Tx 610212 Fax 4941320

SWITZERLAND

LUCERNE GRAND HOTEL EUROPE **** parking. CNN Tel (41) 41 30 11 11 Fax (41) 41 31 10 31.

HOUSING EXCHANGE

CENTER OF MANHATTAN 2,000 sq. ft furnished living loft - workspace in exchange for comparable space or apartment in Paris or Provence. Monthly basis. Tel USA: 508-749-2911. Fax. 508-544-8999.

HOME EXCHANGE: International Invented City 415 673-0347 USA. 41 Sutter St., #1090 N. SF CA 94104

HOLIDAY RENTALS

INTERNATIONAL

FULLY STAFFED LUXURY VILLAS CARIBBEAN, MAURITIUS, IBIZA, FRANCE, ITALY. Specialized agents. Paris Tel. (33.1) 46.22.96.58 Fax (33.1) 46.22.79.52

CARIBBEAN

ST.BARTHELEMY, F.W.I..... Clear, clean sparkling waters, white sand beaches. OVER 200 PRIVATE VACATION VILLAS - beachfront to hillside with pool, plus select hotels. Our agents have inspected all villas personally. For reservations on St Barth, St. Martin, Barbados, the Virgin Islands, ... Call WIMCO U.S. (401)849-8012 fax 847-6290, WIMCO-SIBARTH Paris tel-fax (33)(1)42 25 95 11. SIBARTH St. Barth (590)27 62 38 fax 27 60 52.

FRENCH PROVINCES

RIVIERA, GOLF VALESCURE. Beautiful apartments, fully equipped for 4-6 persons. Weekly rates from F4,550. Access to swimming pool & tennis included. Golf nearby. Please call between 9am & 11am (33) 94 93 17 11

GREAT BRITAIN

NORFOLK. Old Buckenham village. Large beautiful old house, lovely garden. Holiday or longer lets. 2 double, 2 twin, dining/sitting room, kitchen, utility room, 2 baths, 1 shower. £350 - week. Tel: 0953 860 796/641.

ITALY

SARDINIA, 20 KM. SOUTH OLBIA. beautiful 600 sqm. villa, modern design, fully furnished, right on small sandy beach, 9 double bedrooms, 6 bathrooms. Free Sept/Oct. Tel. (44-71) 434.33 33. Fax (44-71) 753 02 25.

PARIS & SUBURBS

RENTING IN HOTEL RESIDENCE, only 15 minutes from Champs Elysees by metro: Studios, 2 rooms, 1 to 4 persons. Daily weekly monthly. Tel (33-1) 49 10 05 45. Fax (33-1) 46 21 50 90.

15th, 150 sqm., on garden, double living, 2 bedrooms, 2 baths, equipped kitchen, garage. Anytime. Aug. to Nov F12,850/month. 1 45 31 52 15

HOTELS

PARIS & SUBURBS

6th, ODEON, duplex, 55 sq.m., nicely furnished & equipped (beams), quiet, bright, near Luxembourg garden, short term, F6,500/mo. (owner) 1-43268001

NEAR MADELAINE lovely studio, kitchen, bath. August only. F6,500. Tel: 1-45 25 22 02

U.S.A

BEACH FRONT VILLA Newport Beach, CA. Available Dec. 20-Jan 3. Five bedrooms, luxuriously furnished, private beach & tennis in best area. Includes maid service. $15,950. Fax: (714) 434-2670 Attn: S. Turner.

FIRE ISLAND/OCEAN BEACH NY. Guest houses. Quiet, clean, air conditioned, large deck, sauna. Rooms-day/week, weekend. Tel. 516-583-5716 USA

NYC Bed & Breakfast. Private bedroom & bath. Safe, elegant E. side apartment. $70 one; $90 two, 212 371-5889

BUSINESS TRAVEL

Travel Management
1st or Business Class Only
Save up to 50%
NO COUPONS NO RESTRICTIONS
Minimum Air Travel $10,000/Year

CORPORATE TRAVEL PROGRAM
FOR CORPORATIONS WITH $1,000,000 IN TRAVEL EXPENSES ONLY
SAVE A MINIMUM OF $52,000 A YEAR
SERVICES: 51 countries toll free numbers, 24 hours 7 days a week reservations with worldwide prepaid ticketing. Free ticket delivery, corporate hotels and car rental reservations.
Address: 666 OLD COUNTRY ROAD GARDEN CITY, NY 11530 USA
FAX 1-516-745-6225
INTERNATIONAL TOLL FREE NUMBERS
USA/CANADA 800-227-8521
FRANCE 05-90-1339
GERMANY 0130-81-0305
SWITZERLAND 046-05-9404
ITALY 1678-79-176
UK 0800-89-7670
JAPAN 0031-11-1851
HONG KONG 800-7080
AUSTRALIA 0014-800-126-950

LOW COST FLIGHTS

ACCESS VOYAGES

	One Way	Round Trip
New York	F1100	F2295
Los Angeles	F2135	F4290
Miami	F1785	F3410
Washington	1280	F2565
Montreal	F1210	F2420
Rio de Janeiro	F3380	F5170
Australia	F4835	F7885
Japan	F4360	F7885
London	F595	F675

and more destinations ...
Discount on 1st & business class
Rates subject to modifications
Restrictions may apply.
Tel: 1-40.13.02.02 & 1-42.21.46.94
Fax: 1-45 08 83 35
6 rue Pierre Lescot, 75001 Paris
Metro - RER Chatelet Les Halles
[Lic. 1.75111]...and also

ACCESS IN LYONS
Tour Credit Lyonnais, 129 rue Servient 69003 Lyon. Tel (16) 78 63 67 77
Book now by phone with credit card

1ST OR BUSINESS CLASS ONLY Frequent Travellers to Orient/Australia/Africa/North & South America. Save up to 50%. No coupons, no restrictions. Imperial Canada 514-341-7227

WORLDWIDE scheduled departure at the lowest ever discount economy airfare. Great cards possible. Tel: Paris (1) 42 89 10 81 Fax 42 56 25 82

DAILY FLIGHTS AT LOWEST FARES to any major North American int'l airport. Tel: Paris (33-1) 47 04 67 51.

TODAY'S REAL ESTATE MARKETPLACE

Appears on Page 6

Suffering in silence?

Sometimes the pressures of modern life are too much for us to endure, leading to stress, depression and more than just "social drinking".

Don't suffer in silence; contact Charter Hospitals of Europe. We specialize in the treatment of psychological and emotional problems, drug and alcohol addiction and eating disorders.

Charter Hospitals offer multi-lingual specialist consultations, expert care and total confidentiality in the tranquil surroundings of Lake Geneva, Switzerland or the convenience of Central London.

Call the Charter Helpline, anytime, day or night and arrange a free assessment to help you decide what your next step should be.

Charter Helpline: London, England 071-258 3828 (24 hrs)
If you don't get help at Charter, please, get help somewhere.

CHARTER HOSPITALS OF EUROPE

CHARTER NIGHTINGALE	CLINIQUE LA METAIRIE	CHARTER CLINIC CHELSEA
071-258 3828	22 61 15 81	071-351 1272
11-19 Lisson Grove	Chemin de Bois-Bougy	1-5 Radnor Walk
London NW1 6SH, England	CH-1260 Nyon, Switzerland	London SW3 4PB, England

Place Your Classified Ad Quickly and Easily in the INTERNATIONAL HERALD TRIBUNE

HEAD OFFICE
Paris: (For classified only): Tel.: (1) 46 37 93 85. Tx.: 613595. Fx.: 46 37 93 70.

EUROPE
Andorra: Tel.: 28264. Fax: 28264.
Amsterdam: Tel.: 673057. Fax: 673627.
Athens: Tel.: 653 52 46. Tx.: 218344 IBS GR. Fax: 653 52 46.
Bergen, Norway: Tel.: (05) 913070. Fax: (05) 913072.
Brussels: Tel.: 343-1899, 343-1914. Fax: 346-0353.
Copenhagen: Tel.: 31429325.
Frankfurt: Tel.: (069) 72-67-55. Tx.: 416721 IHT D. Fax: 727310.
Helsinki: Tel.: (90) 647412. Fax: (90) 647948.
Milan: Tel.: 546.25.73. Tx.: (43) 334494 (INIADVI).
Istanbul: Tel.: 132 0300. Fx.: 146 0666. Tx.: 26388 ODVI TR.
Lausanne: Tel.: (21) 28-30-21. Fax: (21) 283091
Lisbon: Tel.: (1) 247 72 93. Tx.: 66885 INTERO P. Fx.: 2477352.
London: Tel.: (071) 836-4802. Tx.: 262009. Fx.: 2402254.
Madrid: Tel.: 564 51 12. Tx.: 47747 SUYA E. Fax: 564 52 89
Stockholm: Tel.: (08) 7172205. Fax.: (08) 7174611.
Tel Aviv: Tel.: 3-455 559. Tx.: 051000/265871 MONREF G, attn: AUR365. Fax: 3-5468168.
Vienna: Contact Frankfurt.

NORTH AMERICA
New York: Tel.: (212) 752 3890. Toll free: (800) 572 7212. Tx.: 427 175. Fax: (212) 755 8785.
Chicago: Tel.: (312) 201-9393. Fx.: (312) 201-9398. Toll free: (800) 535-6208.
Florida: Tel.: (407) 869-8338. Fx.: (407) 869-0683. Toll free: (800) 442-3216.
Houston: Tel.: (713) 627-9930. Tx.: 910-881-6296. Fx.: 713-627-9191. Toll free: 1-800-526-7857
Los Angeles: Tel.: (213) 850-8339. Tx.: 650 311 7639. Fx.: 213-851-1508. Toll free: (800) 848-4739.
Toronto: Tel.: (416) 585-5485. Tx.: 06-219629. Fax: 416-585-5275. Toll free: (800) 387-9012.

SOUTHERN AFRICA
Bryanston: Tel.: 706 14 08. Tx.: 4 21059 SA. Fx.: 7063466.

AFRICA
Tunis: Tel.: 710 799.

KENYA
Nairobi: Tel.: (254-2) 740251 Fax: 741411

LATIN AMERICA
Bogota: Tel.: 236 9747 - 256 6096. Tx.: 42072 MIVA CO.
Buenos Aires: Tel.: 322 57 17 Tx.: Cabina publica 33-9900.
Costa Rica: Tel.: (506) 240642. Tx.: 1050 RACSA. Fx.: (506) 254852.
La Paz (Bolivia): Tel.: (00591-2) 359842/358130 Fx.: (00591-2) 358293. Tx.: 3252 (TESTESBV)
Lima: Tel.: 417 852. Tx.: 20469 GYDSA. Fx.: 41622.
Mexico: Tel.: 535 31 64. Fx.: 7033134

FAR EAST
Hong Kong: Tel.: 861 0616. Tx.: 61170 (IHT HX). Fx.: (852) 861 3073.
Bangkok: Tel.: 258-32-44 Tx.: 20666 RAJAPAK TH. Fx.: 2588010.
Singapore: Tel.: (65) 223-64-78/9. Tx.: 28749. Fx.: 2241566.
Taiwan: Tel.: 752 44 25/9. Tx.: 11887. Fx.: 7814308.
Tokyo: Tel.: 03 3201 0210. Tx.: 333673. Fax: 03 3201 0209.

Imprimé par Offprint, 73 rue de l'Evangile, 75018 Paris.